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AMERICAN INSURANCE

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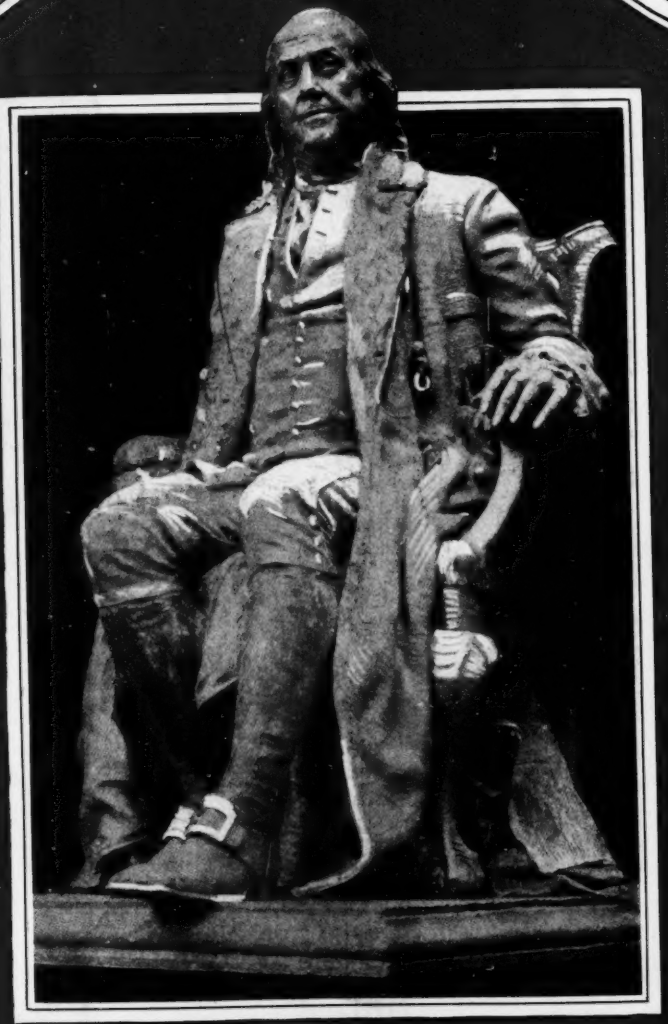

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CONTENTS

NOVEMBER, 1926

FRONTISPIECE—
Thomas Jefferson 4

AGRICULTURAL ENGINEERS STUDY FIRES
By Deane G. Carter..... 5

AUTOMOBILE INSURANCE COVERAGE
George A. Powee..... 7

ADDRESS
By John W. O'Leary, President Chamber of Commerce of U. S. A..... 9

LETTERS TO LAND LIVE LEADS
By Charles Henry Mackintosh..... 11

ELECTRICAL INSTALLATIONS IN HOMES
By Eugene Arms..... 13

WHAT A CENTURY HAS TAUGHT US
By James Y. Noyes..... 15

EDITORIAL 16

LIFELIGHTS
By S. J. Duncan-Clark..... 17

OIL HEATERS AND BURNERS
By E. J. Smith..... 21

SOLVING FARM FIRE PROBLEMS
By Prof. Lynn Roberts..... 23

FEDERAL LAND BANK AND INSURANCE
By Hon. Jas. B. Davis..... 25

LOSS PREVENTION THROUGH CONSTRUCTION
By Deane G. Carter..... 27

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THOMAS JEFFERSON

THOMAS JEFFERSON, author of the Declaration of Independence, was by the very nature of his ardent liberty-loving mind an advocate of Mutual Insurance. His own property was insured in a Mutual company, the Mutual Assurance Society of Virginia, which proved to be so substantial that it exists today, after more than a century of successful operation.

Agricultural Engineers Study Fires

Professional Study of Causes and Prevention of Conflagrations in Country Communities Yields Big Results

(From Address at Louisville Convention)

By DEANE G. CARTER

Professor of Agricultural Engineering, University of Arkansas

THE primary purpose of an engineer is to apply certain facts and principles to materials and processes that will produce the desired result at the least expense. So it is upon this common ground that the engineer and the insurance man can meet. We are both interested in conservation and economy in the prevention of loss. The fire loss of $115,000,000 a year on the farm is enough to interest all of us.

I shall confine my address to a discussion of those branches of engineering which deal with the farm. That is agricultural engineering. I am representing the American Society of Agricultural Engineers, am also the representative from that organization on the National Fire Waste Council and likewise appear as an agricultural engineer from a state university. It is my purpose to tell you some of the things that agricultural engineering is trying to do that concerns this subject of loss prevention. I bespeak the co-operation of the insurance associations and the American Society of Agricultural Engineers in the effort to reduce fire loss.

ONE of the efforts you may be interested in that the Agricultural Engineering group is doing is to develop a farm building code. Our cities have ordinances, zoning laws and inspection and regulations that pretty well suffice to safeguard against dangers or illogical practices. Beyond the city limits every regulation goes into the discard. A man may wire his own house, build it of inflammable material, put his buildings close together, store gasoline in his barn and there is no law to stop him. So far as I know, there has never been a code published strictly for farm buildings, so that the owner or the carpenter or contractor might know good construction. If the builder is inclined to skimp or disregard proper construction, there is no one to say what should be done.

Realizing this need, the American Society of Agricultural Engineers has a committee headed by Walter G. Ward, Architect, of the Kansas State Agricultural College. They are working on a code of minimum requirements for the proper construction of buildings. Naturally, this committee will give attention to the problems of fire resistance, wind resistance and rigid construction that should be of considerable value in loss prevention.

Convention Number

This issue contains a number of articles based on speeches made before the recent convention at Louisville. The text is taken from stenographic notes, and preserves as far as possible the platform personalities of the speakers.

OUR organization has another Committee on Farm Home Utilities, which deals with lighting, heating and water supply in the farm homes. In their study of these problems they are giving attention to proper methods of installation, materials and inspection, to afford rules for safe and permanent installation of these utilities.

The American Society of Agricultural Engineers last year sponsored the first Farm Home Conference ever held. At that time about 60 organizations participated in a study of the problems of the American farm home. One of the recommendations of that conference was that a Fire Prevention and Protection Committee be formed. When we hold a second Farm Home Conference in Chicago next winter it would be desirable for this association of Mutual Insurance Companies to be represented by as many as can conveniently attend.

What is perhaps of greatest interest to this group is the Committee on Fire Prevention and Protection, working in the Farm Structures Division of the American Society of Agricultural Engineers. Two members of this committee are members of the National Fire Waste Council, and are active in a sub-group of the Agricultural Committee of which Mr. Wallace Rogers is Chairman. Therefore, this group is in an excellent position to render service in the field of fire prevention.

I quote a paragraph from the 1926 report of this committee, to indicate the scope of their work. "It is the purpose of the committee to avoid duplication of effort as much as possible and to co-operate to the fullest extent with similar organizations. The program provides for research to a limited extent and its activities will be devoted to the collection of available information on the subject of farm home and building fire protection and prevention and to the dissemination of effective literature."

You may be interested in knowing what other groups of this type are doing. Just recently the Department of Agricultural Engineering at the Alabama College of Agriculture published a bulletin called "Protecting the Farm Against Fire." The Federal Department of Agriculture at Washington has published a number of bulletins on lighting protection, fire protection, fighting farm fires and such subjects. It would be desirable for each insurance official to obtain these bulletins and to secure their circulation among his patrons. The people that carry the responsibility for farm construction are the ones that must be reached. I mean, the owner, the community carpenter and the rural contractor. Very often they don't have the information to enable them to build for permanence and for protection.

THE agricultural colleges and the farm press are two agencies that have perhaps the widest contact and the greatest influence with people we need to reach; all of these colleges have extension divisions. Sometimes the extension divisions exceed in number of workers and in cost the college itself. Many of the farm papers and college extension divisions have on their staffs agricultural engineers, whose business it is to carry information to the farm people on the mechanical phases of farm life. These people, of course, have many interests and many activities. Nevertheless, if it were possible to get the right information to these people, an excellent opportunity is offered to carry the message of loss prevention where it will do the most good. All agricultural colleges maintain a division whose duty is research, the study of conditions, the discovery of new things, a study of causes and effects. Studies of crops and live stock happen to be the first duty of these research departments, so now most agricultural college experiment stations have a majority of their work in crops and live stock and fruit growing and such subjects. The times have changed and we have new problems. So now we find economic conditions, home studies and engineering applications as distinct lines of work in these agricultural colleges.

In the campaign for prevention of loss, especially on farms, the agricultural experiment station is an ally that should not be overlooked. It is entirely within the province of an experiment station to conduct studies in the prevention of fire and wind loss and to develop facts that may be ultimately distributed through other agencies.

BESIDES the extension work of the colleges and research study, all colleges of agriculture have the duty of teaching salient facts to young men and women. Practically every college has a department or division of agricultural engineering: instruction in home planning and farm buildings is one of the principal subjects in agricultural engineering. If the loss problem is properly presented to the colleges I am certain that special emphasis can and will be laid on the problem of fire prevention.

As you know, waste in industry has been one of the primary interests of some of our Federal departments, particularly the Department of Commerce, and by standardization and elimination of lost motion and so on, they have gained very greatly in efficiency by time studies and in many ways. They have applied engineering methods to reduce loss. It seems scarcely necessary to say that our farm fire loss represents a waste problem fully as impressive as some that have already been studied.

I attended a recent meeting in Texas, at just about the time when the government crop report on the cotton estimate was released. Some of you who live in the South know that the estimate was 16,600,000 (and some thousand) bales and the price broke $4, and immediately economists and statesmen, politicians and others, became greatly alarmed and greatly aroused, because that break of $4 a bale meant something like $65,000,000 of loss to the cotton grower.

If we compare that with the farm fire loss, you see it is only about 60 percent of the farm fire loss. It is time that men began to think and give some particular thought to this $115,000,000 fire waste. One year's farm loss would pay 175,000 trained men at a salary of $4,000 a year, or better. Of course, we would not expect to use the fire loss, if we saved it, for that purpose. Nevertheless, I use that as an illustration to indicate the terrific loss that it is possible largely to prevent.

TO EMPHASIZE this point I can do no better than to give the tentative conclusions prepared by the Fire Prevention and Protection Committee of the American Society of Agricultural Engineers, which I represent. Perhaps some of these are already familiar to you. They say:

1. Inspection which is thorough, frequent and intelligent is a most promising and important element in fire prevention.

2. Proper regard for the importance of this element and the inauguration of its use cannot be secured by the ordinary channels of publicity such as bulletins, newspaper articles, advertising, etc.

3. The success of fire prevention by means of adequate inspection can best be assured by well organized campaigns of practical demonstrations of fire inspection.

4. Such a campaign of practical demonstrations can be satisfactorily conducted by existing agencies in the field of agriculture; namely, the U. S. Department of Agriculture, the Extension Service, the College Departments of Agricultural Engineering and by the farmers' mutual fire insurance companies.

5. Then it is suggested that well directed motion pictures demonstrating how to inspect buildings for fire dangers and why, and demonstrating dangerous practices and why they are dangerous offer one of the most potent educational possibilities at our command.

6. Correct installation of equipment, like heating plants, lightning rods, lighting plants, electric power, etc., is next in importance to adequate inspection as an element in fire prevention.

7. Correct installation of equipment can be secured by one or all of the following means:

   1. By legalized farm building code.
   2. By rigid requirements by the insurance companies.
   3. Manufacturers' instructions that are simple, complete and emphatic.

8. The inspectors and other educational agencies mentioned should conduct their work according to a simple and logical system that helps to convey the proper emphasis on the several factors that enter into the prevention of the start and spreading of fire.

Finally, an inspection manual should be prepared for the use of those engaged in agricultural fire prevention work.

These conclusions that have been drawn are right in line with the work now being undertaken by agricultural engineers and those with whom we are associated.

Meeting of A. M. A. Board of Commissioners

THE Board of Commissioners of the American Mutual Alliance will hold fall meeting in New York City on December 14th.

Important matters concerning Association policies for the coming new year will be considered.

The board includes the following:

James S. Kemper, Chairman; Lumbermen's Mutual Casualty Co.; S. Bruce Black, President Liberty Mutual Ins. Co.; F. J. Martin, President Northwestern Mutual Fire Assn.; P. W. A. Fitzsimmons, President Michigan Mutual Liab. Co.; F. B. Fowler, Secretary Indiana Lumbermen's Mutual Fire Ins. Co.; C. E. Hodges Jr., Vice President American Mutual Liability Ins. Co.; C. A. L. Purmort, Secretary Central Manufacturers' Mutual Ins. Co.; John L. Train, Secretary & General Manager Utica Mutual Ins. Co.

Spring Meeting

The Board of Governors of the Federation of Mutual Fire Insurance Companies, the National Association of Mutual Casualty Companies, and the National Association of Automotive Mutual Insurance Companies will, in all probability, not meet until in March, 1927.

Automobile Insurance Coverage

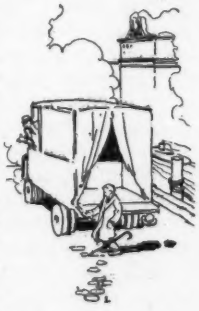
What is Meant by Public Liability, Property Damage and Collision

By GEO. A. POWEE
Vice President and Chief Underwriter of the Liberty Mutual Insurance Company

HOW many automobile owners, who secure an automobile insurance policy, know precisely what they have purchased? Many may have a general conception of the protection afforded under the policy for Public Liability, Property Damage and Collision insurance, but certainly comparatively few have a definite knowledge or understanding of what the policy covers, and what and when it does not cover. Probably many people do not even read their policies, or after making an attempt to do so, despair before they read very far. This is not surprising because policy contracts are drawn in verbose style and clothed with legal phraseology and technicalities.

Insurance companies have an obligation to the public to make their policies as clear and understandable as possible. To couch the text in laymen's language, however, would result in a too lengthy and clumsy policy. Inasmuch as insurance contracts must frequently be interpreted by the courts, a standardization of the policy contract in clear, legal terms seems not only desirable but necessary. Dependence must be placed largely upon salesmen, agents and company representatives to inform the policyholder as to just what protection each form of cover provides.

The Automobile Public Liability and Property Damage policy is designed to provide protection to the assured for his legal liability, usually under Common Law, for accidental bodily injuries to other persons (Public Liability) or for accidental damage to the property of others (Property Damage), caused by his negligence in the operation, maintenance or use of his automobile.



Collision insurance is designed to protect the assured from financial loss as a result of damage to his own automobile, but not damage to any other property of his own or others, caused by a collision of his automobile with another car, vehicle, or any other object.

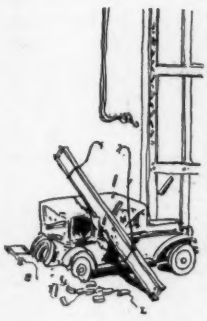
The following paragraphs are intended to outline the coverage under Automobile Public Liability, Property Damage and Collision insurance, and to indicate what is excluded by the policy, citing certain instances and examples of specific cases which are or are not covered. Of course, the policies of the different companies vary to a certain extent, and interpretations and claim attitudes of the different companies vary, but the coverage described is that of the *usual* Automobile Insurance policy.

Public Liability Policy

THE Automobile Public Liability Policy undertakes to *pay any loss* by reason of the liability imposed by law upon the *named assured* for damages on account of bodily injuries accidentally sustained by reason of the assured's ownership, maintenance or use of the automobiles specified and described in the policy. The policy also covers accidents resulting in death from the same causes.

The policies of some companies read "hereby insures" and of others "agrees to indemnify" the assured, although the practical application and intent is little different from that of the agreement to "pay any loss."

The insuring clause limits the coverage to the assured *named* in the policy, but this coverage is usually extended by another paragraph, in the same manner and under the same conditions, to any person or persons while riding in or legally operating any automobile specified in the policy, and to any person, firm or corporation legally responsible for the operation of such automobile, provided such use or operation is with the permission of the named assured, or an adult member of the named assured's household other than a chauffer or domestic servant. This is what is termed the "omnibus" clause of the policy. Coverage is not extended, however, to a public garage, automobile repair shop, automobile manufacturer, automobile sales agency, automobile service station and agents and employees thereof.

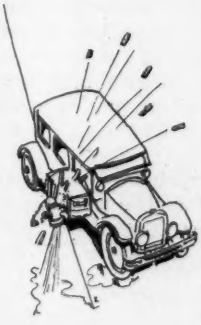


The company agrees to pay all losses covered by the policy during the policy term within the policy limits, to defend any suit brought against the assured on account of such injuries, and to investigate, negotiate and settle any claims. Legal expenses in connection with any suit or settlement are borne by the company.

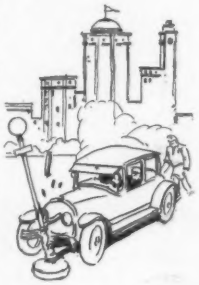
Additional insurance interests, such as another individual, firm or corporation, may be included without additional premium charge for private passenger or commercial automobiles under the "omnibus coverage" rule, subject to the conditions and limitations above stated. Policies issued to cover any public automobile or policies issued on the "named driver" or "specified car" basis to cover any automobile manufacturer, dealer, garage, repair shop, or service station should not be written to include more than one insurable interest except at an additional premium charge.

Exclusions

THE policy does not cover injuries sustained by reason of accidents occurring outside of the policy period limited in the declaration. It covers no contractual liability of any kind; in other words, it does not cover any liability of others assumed by the assured under any oral or written contract. The policy does not cover the assured while the automobile is be-



ing used for carrying passengers for compensation or rented or operated in any speed test, or while being driven by any person in violation of any law as to age, or, in any event, under the age of sixteen years, or while being used for towing any vehicle as a trailer, unless the trailer is specifically endorsed by the policy for an additional premium charge. The towing of another disabled automobile, however, as a courtesy of the road, is covered by the policy.



The policy does not cover injuries to an employee or employees of the assured while operating or caring for the automobile. The policy does not cover injuries to chauffers, while such injuries arise out of or in the course of the trade, business, profession or occupation of the assured, but does cover injuries to other household servants if injured while not operating or caring for the automobile. The liability of others assumed by the assured under any compensation law, plan or agreement is also excluded.

The policy does not cover in excess of the limits for single and multiple accidents as stated in the policy. The standard limit for one person injured is $5,000, and subject to the same limit per person, the standard limit for any number of persons injured in any one accident is $10,000. These limits may be increased for an additional premium charge.

The policy does not cover accidents caused by automobiles operated without the territorial limits of the United States or the Dominion of Canada.

Employers Liability, or the liability imposed by law upon the employer for accidental injuries suffered by any of his employees while operating or caring for his automobile, is excluded unless specifically endorsed on the policy for an additional premium. Hired automobiles are not covered except by special endorsement for an additional premium.

The policy excludes accidents caused by any automobile while being used for purposes other than those specified in the declaration of the policy.

Illustrations

THE following will serve to illustrate what types of cases are not covered by the policy. Countless numbers of different claims might be cited; thus it is impossible to do more than merely scratch the surface in furnishing a few examples.

Case 1. John, a high school student, the fourteen year old son of Mr. Jones, appropriated his father's Buick and drove the car downtown to meet a girl friend. He was in a hurry, and at the corner of a cross street ran over and killed a five year old boy. The policy did not protect Mr. Jones because the car was being operated by the son who was under sixteen years of age.

Case 2. Ryan, a truckman, signed a contract for the benefit of the Service Construction Company that he would assume all liability, regardless of whether he was negligent or not, on account of any accident caused by the operation of any of his trucks while hauling materials for the Service Construction Company. One of Ryan's trucks was backed by him to a new building undergoing construction. Ryan had gone inside the building, after having unloaded the truck, to secure a signed receipt for the materials delivered. In the meantime, the superintendent of the Service Construction Company decided that the truck should be moved to make way for another truck of another concern delivering interior finish. The superintendent, therefore, ordered Ryan's truck to be moved out of the way, and while being moved the operator, an employee of the Service Construction Company, due to lack of experience on that particular make of truck, lost control and bumped into an old man causing an injury resulting in a broken leg. The claimant sued and recovered from the Service Construction Company, which called upon Ryan for reimbursement in accordance with the terms of his contract. Ryan, in turn, presented a claim to the insurance company. The policy did not cover Ryan on account of his contractual agreement with the Service Construction Company holding the company harmless and relieving it of liability in such an accident.

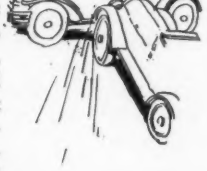
Case 3. A common misconception of the Automobile Public Liability policy is that the assured frequently believes he has an accident policy of some kind. Mr. Brown's wife drove his car to the doctor's office with her four year old son who had received a bad cut on his head from a stone thrown by a playmate. Brown's wife made speed, lost control of the car, and hit a telegraph pole injuring both herself and the four year old son. They were taken to the hospital for treatment and both fully recovered. Brown tried to collect under the policy, however, for injuries to his wife and son, including hospital and medical costs, but no payment was made because the wife had no legal claim for damages against her husband in this case. The infant son, a minor, could not sue the parents for injuries suffered while in their custody.

Case 4. Wm. Fox the assured, an employee of a local manufacturing concern, was taking some strike-breakers to work at the plant where a strike was in progress and was charging his fellow-workmen a fee for carrying them regularly to and from work in the morning and at night. While going to work with three other fellow-passengers in his Ford touring car, the car skidded on the wet pavement and "side-swiped" a young lady, resulting in her receiving severe bruises and lacerations. The policy did not cover Fox because he was engaged in carrying passengers for a consideration, and was, during the strike, virtually using his car as public automobile.

Case 5. A grocer named Smith, who operated his Studebaker touring car for pleasure purposes ordinarily, decided to use this car regularly for making his retail deliveries inasmuch as his truck had been completely demolished in an accident. He had decided not to buy a new truck during the next few months until he received a substantial payment on a note from one of his debtors, which money he proposed to use in buying a new truck. The Studebaker touring car was, therefore, being used for commercial purposes in the delivery of groceries from house to house. On one of these trips he ran into a pedestrian, a prominent business man of the town. The man later died from a fractured skull. The policy did not cover Smith because he was using the car regularly for commercial retail delivery, or in other words, using the car for purposes other than those described and specified in the policy.

Property Damage Insurance

AUTOMOBILE Property Damage Insurance is usually furnished by endorsement to an Automobile Public Liability Policy, and ordinarily is not sold unless Public Liability insurance is also written on the same risk. The same conditions and limitations, as described under "Public Liability Insurance," apply except that instead of covering accidental injuries to persons, Property Damage insurance affords protection on account of accidental damage to *property of others*. Property Damage also covers consequential loss of use of such property; in other words, it would cover claims resulting from any loss of income suffered by the claimant because of his inability to normally conduct his business operations for a certain specified time until the damaged property can be replaced or repaired, subject, of course, to the Property Damage limit specified in the policy.



Exclusions

The same exclusions apply under Property Damage insurance as described under "Public Liability Insurance." Furthermore, the policy does not cover damage to property of the assured or property of others used by or in charge of the assured or any of his employees or carried by automobile. Property Damage is limited to the actual cash value of the property injured or destroyed at the time of such injury or destruction. It does not cover in excess of the limit of liability for Property Damage specified in the policy, which ordinarily is $1,000. This limit may, of course, be increased for an additional premium charge.

(*Continued on page* 18)

Address by President O'Leary

Head of Chamber of Commerce of the United States Outlines Views and Policies of His Organization

(From Address at Louisville Convention)

By JOHN W. O'LEARY

WHEN primitive man first established relations with others, it did not take him long to realize that he could accomplish more collectively than alone. This was forcibly driven home to him by the necessity of protecting his family and himself from attack. This realization of the necessity of co-operation led to various simple forms of government, and ultimately to our present complicated system. This is not unusual, though, when one realizes the tremendous growth of our economic and social processes.

We find today the standards of living higher than ever before. Things which were luxuries 30 or 40 years ago today are necessities. In all of this progress the government has had to play a part through the enactment of legislation designed to promote the general welfare and to protect individuals and the community. Just as government fills a definite need in the lives of men as individuals, so the government plays an equally important part in business. Industry cannot exist without a government of justice. Business must have confidence that the sanctity of contracts will be preserved. It must know that there is stability in government, and that the police and taxing powers will be wisely used.

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JOHN W. O'LEARY

President, United States Chamber of Commerce; President, Arthur J. O'Leary & Son, Chicago; First Vice President and Director of the Chicago Trust Company, Chicago. Mr. O'Leary is nationally recognized as an authority on, and spokesman for, American business

THE function of government is to govern with the least possible interference with the rights of citizens and yet insure fair play to all in the conduct of legitimate business pursuits. With government functioning properly there is confidence on the part of business. This makes for a feeling of security among those who have capital invested in existing economic operations, and in addition, tends to bring forth more capital for use by industry and commerce.

No people ever was, or ever will be prosperous without the successful use of capital. The proper employment of it makes for an industrious, sober and thriving nation. Government should not be the masters of business, but rather the partner. When conditions arise which a given business does not correct, it is then and not until then that the government should intervene.

There are various factors always at work which make for a square deal to the consumer. For example, competition. It is impossible to think of our present foremost position in the business world without appreciating the important part which competition has played. In the endeavor to secure business rival firms have thought out and developed new services for the public. These have become such an important part that service is the keynote of most enterprising concerns. It is not unusual today to find progressive firms helping their customers to get the greatest possible use out of their products.

THEN, too, there is the matter of costs. Competition is bound to keep them at a minimum. We learned during the war the danger of understanding the real meaning of costs. Under cost plus methods, with the removal of competition, we realized more and more that we had lost a true conception of real cost. We found that we were beginning to think that the cost was merely whatever we paid out to have the goods produced. We learned through the trying period of deflation that that was not a true cost, but rather that cost represented the lowest price at which the goods could be produced with intelligence and the best methods possible. Competition is bound to keep costs at a minimum.

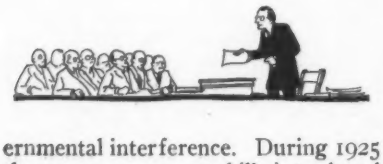
We find, therefore, that one of the greatest safeguards is the factory not regulated by government, but one which continually plays a major part in self-government of business. From time to time various ethereal proposals are made which in effect would put the government in the fields of endeavor where it does not belong. Government is an equalizing factor for the common welfare and not an economic process. It lacks the elements necessary to succeed outside of its own proper functions. Yet there are those who do not see the light but are constantly urging the assumption of activities by the government which it cannot properly perform. It is not surprising, therefore, that one of the keystones of the National Chamber, in which several of your associations hold membership, is non-governmental interference with business.

DURING the war the government went into the railroad business. The result was that the tax-payers of our country had to absorb a deficit amounting to almost $2,000,000,000. A less prosperous country might have been severely embarrassed financially. The safeguards of competition were tossed to the winds and private initiative was entirely lacking. The results were not surprising,

therefore, but rather to be expected.

The economic problem of the railroads is complicated, to some extent, by politics and the requests of labor. In spite of these and the natural technical complications incidental to the conduct of any business, we find private enterprise more than justifying its existence. Those directing the destinies of our railroads, which are really the national arteries forming such an important link between producer and consumer, have brought the railroads from the verge of bankruptcy to a record of power loads which has never before been equalled.

The railroads are not the only kind of business endeavor subject to gov-



ernmental interference. During 1925 there were over 1,400 bills introduced in state legislatures which directly affected insurance. Many of those would be harmful to the insurance business, and, of course, the policyholders would have paid for their defection, either through increased cost or decreased services.

FAIR legislation conducive to progress is most welcome. But this means legislation which is fair, not only to the consumer, but also to those in charge of the operations of any given business. There is too much single interest legislation introduced.

Among the insurance measures proposed it is estimated that there were approximately 100 bills which would put the state into the Workmen's Compensation Insurance business. We have actively opposed monopolistic state workmen's compensation insurance fund measures, because they are wrong in principle, and because those actually in existence do not stand up under investigation.

One of the most important things which private enterprise has developed as a collateral insurance service is that of reducing accidents. For the sake of humanity it is important that much attention be paid to the elimination of causes of accident, so that the total number will be materially reduced.

There are various other points of superiority of private enterprises, but it is sufficient to say that in the several states where the government has allowed insurance companies to compete with the state fund, the latter have been fortunate to secure a little over 14½ per cent of the total business. This is all the more significant when you realize that as a rule the state funds are subsidized by the state. It behooves all insurance men, as well as those in every other line of business, to rally to the support of sound workmen's compensation laws without monopolistic state funds.

THE automobile has been a blessing. It has made for improved health, quicker transportation, and has been a good thing for family life. The rapid growth of the number of automobiles has brought with it certain problems. Naturally, as it became possible for all classes to drive automobiles, we find that the number of careless drivers increased. The results have been more and more accidents. Various proposals have been made to correct the situation, and various states during 1925 had much agitation for compulsory automobile insurance as one method for accomplishing the desired result.

After careful investigation the American Chamber went on record against this proposed remedy. It believes that the solution is better accident prevention methods and greater care in the issuing of licenses to drivers. To put these suggestions into effect requires not only wholehearted co-operation on the part of the various types of government, but also civic organizations and local officials.

The National Chamber has played an important part in the Hoover Conference on Street and Highway Safety. I hope that those in the insurance business will assist their local chambers by contributing their time and effort toward the development of necessary automobile accident programs. Casualty companies writing automobile insurance can also be helpful in the training of their policyholders to the end that they may be careful drivers.

During the war there were certain necessary demands for money and tax levies produced enormous sums. After the war the Federal Government gradually responded to the popular demand for lower taxes, until today they are materially less. So far the primary emphasis has been placed upon the reduction of the tax upon individuals. There is still much to be done in order to bring the taxation of business into line with what seems to be fair and reasonable standards. We are hopeful that this will be done in the not too far distant future. The Chamber has definitely formulated plans as to the ways and means by which this might be equitably accomplished. It is expected the referendum on that subject will be out within the next few weeks.

IN THE states we have a different situation. The budgets have continued to mount. The result has been constantly increasing demands for more funds. Every possible avenue of revenue is being considered. The trend from direct to indirect taxation is a tremendous help to those urging large state expenditures. This type of taxation is painless in that the average citizen does not know that he is paying it. Your insurance business furnishes a good illustration. It is reasonable to expect that insurance should pay taxes common to all forms of business, but it is unreasonable to have policyholders indirectly taxed tremendous sums of money. These special levies were normally intended to support the state insurance departments. According to investigations of the National Chamber scarcely more than 4 per cent of these monies now go for this purpose. The rest is used for state functions in which the policyholders have already been taxed. The Chamber is lending its influence to correct this condition, working along educational lines, and at times has appealed to organization members in certain states to co-operate in the protection of policyholders located in those states.

There must be at least a degree of idealism in every business if there is to be a continuity of success. The interest of the clients or policyholders must be taken to heart. What is good for them is invariably good for the business. Insurance deals with financial consequences of the tragedies of life and property losses.

A good illustration of what is possible through real co-operation is the fire waste improvement campaign sponsored by the Chamber among business men, in order that our 1,450 organization members might have the necessary technical information with which to work, through the National Fire Council. Its members consist of associations interested in fire prevention, which have agreed to pool their technical resources for the common welfare. In addition, their field men have made very real contributions through advice and assistance rendered to Chambers of

(*Continued on page 20*)

Letters to Land Live Leads

Being the Third of a Series of Six Articles Written Especially for The Journal of American Insurance

By CHARLES HENRY MACKINTOSH

The Salesman's Day Is Divided Between Walking to Prospects, Waiting for Prospects, and Talking to Prospects, and the Less He Does of the First Two the More He May Do of the Third. Using Letters to Land Live Leads Enables Him to Spend More Time in the Presence of Prospects and Less in Their Reception Rooms or in Walking from One "N. G." to Another.

LOTS of salesmen, particularly those who are new to the work, make much better showings when they are working on "leads" than they do on "cold turkey" calls. For the sake of those who do not know the lingo of specialty salesmanship, a "lead" is a definite reason for calling upon a particular prospect and may take the form of a request to call from the prospect himself, of a suggestion and perhaps a letter of introduction from a friend or business associate of the prospect, or it may be based upon definite knowledge that the prospect is now in the market for what the salesman has to sell. "Cold turkey" calls are those which are made without any introduction or advance knowledge of the prospect's needs.

Both selling on leads and cold turkey selling have disadvantages no less than advantages, although the salesman who has been in the habit of working on leads may find it difficult to conceive that there are definite advantages to him in the cold turkey method. It is true, however, and especially is it true in relation to selling Mutual Insurance, because in this field practically *everyone is a prospect,* since everyone buys or ought to buy more than one form of insurance, and may be converted to the Mutual plan. Now the disadvantage in working only on leads is that they are likely to be widely scattered and much time may be lost in going from one to the next. Again, the prospect from whom the lead came may be out when the call is made, and then the salesman must either await his return or decide to call back and go on (perhaps a mile or more) to his next lead. The cold turkey salesman who can't get to the man he wants doesn't walk or ride a mile to his next call, but turns into the next office or

home, because *"everyone is a prospect"* to him. The disadvantage in cold turkey selling is, of course, the very much greater degree of skilled salesmanship which is necessary to avoid a steady sequence of "wasted" calls resulting only in curt comments of the "Not interested!" type.

THE possession of a lead, whether it be a request to call or a letter of introduction or even only definite knowledge of the prospect's needs for what he has to offer, enables even new or mediocre salesmen to bridge the most dangerous of all the gaps which yawn between him and the premium. Inaptness in *approach* has sent more would-be salesmen back to bookkeeping than all other flaws combined, and it is natural that it should be so, because a man who has gripped his prospect's attention and interest may make many mistakes and still succeed in a fair percentage of cases; but the man who cannot take that first step certainly will never have a chance to take the last.

In the first article of this series we dealt with some of the poor approaches which prevent salesmen from proving their title to the term; and every salesman who seeks to establish himself among the top-notchers of his profession will perpetually seek to improve himself in this matter of making more and more effective approaches to prospects.

Meanwhile, however, something may be done for the student salesman to help him bridge that gap by giving him a clear-cut reason why he is to call upon a particular prospect at a definite time. Thus he will not only be more likely to feel that he has a *right* to call upon that prospect, offsetting much of his natural nervousness and going far to avoid that *apologetic* approach which *invites* destruction, but also the nature of the lead given him largely puts upon his lips the first few words which he will pronounce in the presence of the prospect—and it is usually those first few words which run him head-on into a brick wall of disinclination on the part of the prospect to listen any longer!

On the other hand, even the student salesman must not be allowed to get it into his head that a lead is a sure-fire sale, and that all he is expected to do is to walk in, produce the proper policy, and walk out with the first premium. Leads of that kind are mighty hard to get by mail, and it would take a lot of letter-coverage to keep even one man busy following up and closing prospects who were practically sold by mail as a result of even the best single sales-letter any expert on earth could produce on so involved and difficult a subject as mutual insurance.

THE reason it is practically impossible to create a letter which will bring in enough nearly sold leads to keep one man busy, is because such a letter would have to say more than

Letters Can Be Written in Such a Manner That They Will Rivet Attention

the average man will take from a letter. Long letters from unsolicited sources are likely to be read very superficially, to find out generally "what they are about," and often the letterhead alone definitely suggests an answer to that natural question, since it says: "Blank Mutual FIRE *Insurance* Company," or the like. Now the prospect knows that he hasn't written to that company, and he readily leaps to the perfectly correct conclusion that they are soliciting him in this letter; so he starts out with the wrong mental attitude to read a long and thorough demonstration as to why he should have Blank Mutual fire insurance; yet he must have the complete reasons why before he will buy.

That's why it doesn't pay to try and *sell the policy* in the lead-getting letter. The proper function of such a letter is to *sell the interview;* which puts it squarely up to the salesman to sell the policy.

Various ingenious devices have been employed by insurance men from time to time to get the prospect to expose himself to an interview. Perhaps the most common takes the form of a letter which says, in effect:

"We have purchased a limited supply of costly and strikingly handsome desk memorandum pads (or silver pencils, bill-folds, card-cases, desk calendars, or what have you?) one of which, bearing YOUR OWN NAME, we want to place upon YOUR desk.

"So that there may be no mistake either in the spelling of your name or in the initials, will you please PRINT IT on the enclosed self-addressed stamped card just as you would like it to appear.

"There is, of course, no obligation of any kind connected with this gift. This is simply a GOODWILL offering to secure for the name of our Company a friendly spot in your mind."

Since everyone suffers from the "Gimmies" more or less, a very high percentage of favorable responses may be anticipated from such a letter. Then, of course, the idea is to have the "goodwill offering" delivered by a high-pressure salesman who will use it as a hand-gun to compel the prospect to listen to his demonstration. There are many obvious objections to this method, the first of which is that it has been worked to death and most prospects are perfectly well aware of what will follow the signing and sending of the card. In consequence, the better type of prospect no longer signs, and those who do (there will be plenty!) make it a point to prepare a special brick-wall into which the delivery-salesman may run his head. The commonest come-back is to have just half a minute's spare time when the salesman calls, so that he may deliver his goodwill offering but not his demonstration. He is, of course, politely bidden back; but the customary precautions are immediately put into effect to prevent him from ever again getting further than the outer office. The chief flaw in this method, however, consists in the fact that its *objective* is wrong. It doesn't make the prospect *want* to hear the salesman's story, which is the proper objective of a good lead-getting letter; but merely makes him want to get that gift!

> *"BOTH selling on leads and cold turkey selling have disadvantages no less than advantages, although the salesman who has been in the habit of working on leads may find it difficult to conceive that there are definite advantages to him in the cold turkey method. It is true, however, and especially is it true in relation to selling Mutual Insurance, because in this field practically everyone is a prospect, since everyone buys or ought to buy more than one form of insurance, and may be converted to the Mutual plan."*

There's a big pull and a powerful one in the offer of a gift, but unless it is definitely coupled with the salesman's call and demonstration, so that the prospect knowingly accepts both or neither, there will be an immense amount of waste and there may be a lot of ill-will engendered by it.

WELL, let's see what we can do to compose a letter which will use the little gift to appeal to the acquisitiveness of all normal human beings in such a way that it will buy enough of the prospect's time to give him "the works," and, at the same time, let's see if we can get into our letter something which will really make him *want* to hear what the salesman has to say, instead of doing so simply to "earn" his gift.

Just as in the case of the salesman's personal approach, the first few words are the most vital in any form of sales-letter, because these few words *start* the train of thought rolling down one track or another. If they start that train down the *wrong* track, it is going to be mighty difficult to switch back on to the busy main line again, isn't it? We must keep in mind the fact brought out in the first article of this series, that the prospect approaches every salesman (and every letter) with the unspoken thought, "What does this fellow (or this letter) *want* of me?", and if the answer comes too bluntly in some such form as "How are you fixed for fire-insurance?" his automatic reaction is in the NEGATIVE. "Not interested!" or "All fixed!" he tells the salesman; and to the sales-letter his immediate action says: "Meet Mr. Waste-Basket!"

Now our *letterhead* immediately stirs that dangerous impulse, as we have already considered; and so it is essential that our opening paragraph shall STOP him and that automatic impulse by catching his curiosity and, if possible, awakening his most powerful impulse of self-interest.

"If you had one of our silver pencils with your name engraved on it you could use it now to figure for yourself how much THIRTY PER CENT of your fire (or life, health, accident, auto) insurance premiums will amount to during the next twelve months."

That reference to the silver pencil ought to stop and hold him for the next paragraph, but we mustn't permit the need to apply our pencil point to figuring *savings* to lead us to overlook the facts brought out in the first of these articles, that prospects often *fear* savings on such things as insurance in which *safety* is their main objective. We must take care of that right away:

"Of course you would have to have indisputable PROOF that your losses will be PAID as surely and perhaps more promptly than on your present basis, before you'd be "really interested even in so important a saving as 30 per cent of your present premiums; but if there really IS such a combination of security with savings, you ought to and WANT to know about it, don't you?

"Well, sir, there really is such a combination; and we believe that it can be proved to the satisfaction of your own good judgment in less than a quarter of an hour. The one who brings you the FACTS will bring also the silver pencil, so that even if you don't care to go any further, you'll have some little return for your time—but we promise you that the

(Continued on page 20)

Electrical Installations in Homes

Survey of the Dangers Which Modern Household Equipment Has Brought in Its Train

(From Address at Louisville Convention)

By EUGENE ARMS

General Manager Mutual Fire Prevention Bureau

I AM going to give you just a few ideas on the fire hazards of electrical equipment and the fire hazards of radio in the language of the uninitiated—just the man of the street. Electrical equipment possibly contains the greatest potential hazard of any apparatus in the home. Insurance men are interested in this subject from a technical standpoint. You want to know something of the why and wherefore of the fire hazard.

There being so few ladies in the room, I am perfectly safe in saying that in my opinion the carelessness of the ladies is responsible for a far greater fire loss from electricity in the home than the men. When I get to talking to the ladies I will tell them the opposite. But you are interested in the why and wherefore of electrical fires.

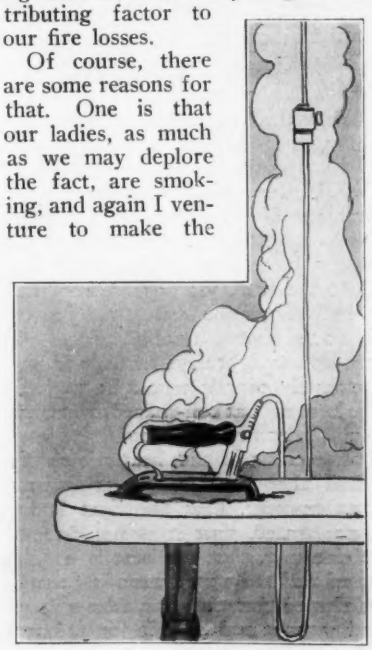
I am going to seem to deviate entirely from my subject and talk about cigarettes. Cigarettes have nothing to do with electricity, but if we take the bare figures of the fire losses of the United States, and say that last year we lost so much, this year we lost so much, next year we are going to lose so much, and every year it goes up about $50,000,000, it would seem that those of us who give our entire thought during our working hours to the prevention of fire might be entirely discouraged and give it up and say it is a bad job and we can't do anything about it.

WE HAVE not given up yet. We feel no cause for discouragement. This despite the fact that during the period 1911 to 1915 there was an average of 14,000,000,000 cigarettes manufactured in the United States. In the year 1924 there were 74,000,000,000 cigarettes manufactured; in 1925, 80,000,000,000, and this year they claim it has gone so far beyond that that it is apt to reach 100,000,000,000 cigarettes. 100,000,000,000 potential fires; maybe 200,000,000,000 matches to light them; 200,000,000,000 more potential fires.

Our statistics from the National Board, from the actuarial bureau in New York, show that matches and smoking have been the greatest single cause of fire, and I think if the truth were known, the greater part of unknown fires would go into that. So without a question matches and smoking have been the very largest contributing factor to our fire losses.

EUGENE ARMS

Of course, there are some reasons for that. One is that our ladies, as much as we may deplore the fact, are smoking, and again I venture to make the statement that in my opinion the ladies are very much less careful; that they have less sense of responsibility in the matter of prevention of fire than the men. In other words, the cigarette butt is not so carefully disposed of; the burning match is not so thoroughly put out. But when you increase one single fire hazard from 14,000,000,000 potential fires in 1911-1915 to 100,000,000,000 this year, we are going to have more fires and we can't stop it.



THE reason I refer to that is because it illustrates so well the fire losses from the electrical causes. You can't change the appetites of the American people back from a cigarette smoking people to a pipe smoking people. You can't change the appetite of the American people for ease and comfort. The American people will live as comfortably and as easily as they possibly can, and no rule that you may ever make will change that habit, and no other one thing has contributed to the ease and comfort of the American people as has electricity in the home.

I wish I could have secured for you the estimated consumption of electricity in the home, but I venture to say that the consumption of electricity in the home has increased at a greater rate than the consumption of cigarettes. Only a few years ago the use of electricity in the home was confined to the incandescent light, very largely. We look back a few years when we had luxury if we had an incandescent light, and those were confined to the wall sockets and the ceiling of the room.

Now, we are all wrong if we have a light on the ceiling. We are supposed to have it in the center of the room with a cord running across to it, so that the potential fire hazard of the light has increased out of all proportion to the increase in consumption.

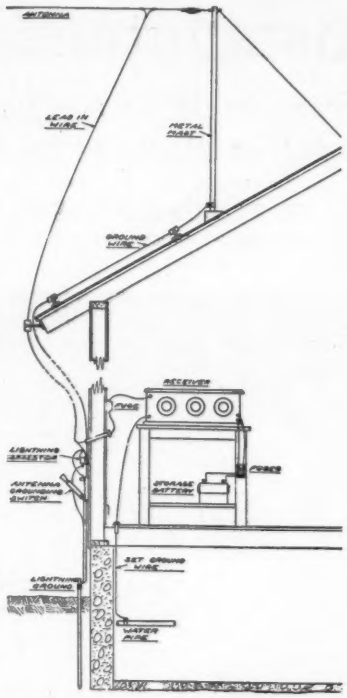
In addition, we have all of the thousand and one things that your department stores are trying to sell you for greater ease and comfort in the home. I will not name them, but you can think of all the electrical equipment you have, percolators, curling irons, floor lamps, heaters for the bathroom, etc.

THERE are two things that give me more comfort than anything else. It is sort of a dream realized. Most of my young life I got up in a room where it was down below zero and broke the ice in the pitcher to wash my face. Now with an electrically controlled thermostat the heat comes on an hour before I get up and the temperature is raised to exactly the 70° I want. I walk into a nice warm bathroom and electricity has made that possible. Without that you go down and stoke the furnace and get up your heat and then crawl back and wait for the house to warm.

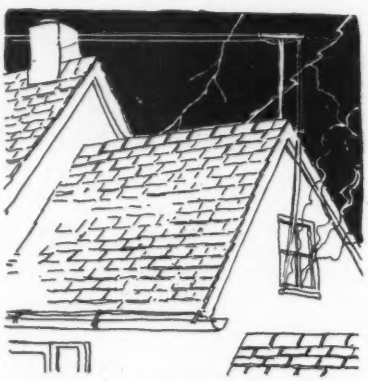
The other I want to mention is the common, ordinary warming pad, the kind you use in beds. To any of you who are troubled with cold feet—I don't mean your own, and have not provided one of those warming pads, you have missed a wonderful opportunity.

Now I want to talk about the thing that has been done for us in this matter of the making safe of electrical equipment. All electric wires look alike. You can't tell what an electric wire is made of by picking it up and looking at it. It is not possible. Going by a drug store a short time ago I saw some curling irons in the windows—98c. My wife had said she needed a curling iron. She went in and bought one and a short time after that the cord came unfastened at the end, so I had occasion to fix that cord. What do you suppose I found? This 98c curling iron had the cheapest kind of telephone wire, carrying a curling iron hooked up to 110 volts, tinsel cord, which is the finest, thinnest strip of copper wound round and round silk thread, used on the telephone. I inquired further. I found that certain curling iron manufacturers are buying the tinsel cord from the telephone company, buying discarded telephone cord when it is not good enough for telephones and put it on the curling iron and sell it to you to put on a 110-volt circuit. It seems unfortunate that this could happen and the only thing that will ever stop that is an educated public in the matter of fire hazards of electrical equipment.

I AM going to tell you about the work of the Underwriters' Laboratories. We have an office across the street and we know intimately the thoroughness with which they examine every individual piece that is submitted to them. The electric wires that are submitted to them must pass the safety tests of several times any possible use before they are approved.



Proper Installation of Radio Apparatus Will Avoid Trouble Caused by Lightning.



Take their examination of just one thing, the common bedroom heater. If that heater has been approved by the Underwriters' Laboratories it first has Underwriters' Laboratories cord connecting it. Secondly, it has been subjected to every possible test as to the firing of any material that is in front of the heater. If you try to focus your automobile lights you know how light rays focus, and how extremely easy it would be to focus the heat of that bell-shaped apparatus. An Underwriters' guarantee means that the heat of that heater is so diffused that no one spot is warmer than another, that the heat is not concentrated, that it is not directed at one spot, that the heat is so diffused and the wire screen in front is so shaped that they can take a towel and wrap it and leave it for 10 hours and it will not set the towel afire. Think what the result would have been if some organization had not taken up that work. You are absolutely safe with one of those heaters unless something drops down inside—of course, they can't help that if it drops on the element, and it takes fire. They lay the heater face down on a carpet and surround it with fine threads, everything as it would be in the sewing room, and leave it for hours. If it sets a fire it is discarded. Those are the practical tests and the purely scientific tests are to take the heat of all the various sections around there, get the heat scientifically of all the various spots involved. That is a service rendered to us. All we have to do is look for the label. How many of us look for the label?

ONE of the biggest department stores in Chicago the other day started the movement which to me is a big movement. They went to the Laboratories and said, "We will sell no article of electrical equipment that does not bear the Underwriters' label service. We will sell no article that has not been approved by the Underwriters' Laboratories." It threw them wide open to the competition of all of the imported stuff from abroad. Germany is sending it over and we are all buying it and don't know it, simply because we have not taken the trouble to find out.

I have some statistics on the actual fires in Chicago from various types of electrical equipment. I have not much faith in statistics, but these I think are quite accurate. They have taken only those they knew absolutely about, and I have picked these out at Chicago because I know something of their work. I have not taken the figures of the United States as a whole, as I prefer to use these.

On the causes of fires you will be surprised, I think, to find that flat irons in Chicago in 1925 were known to have been the initial cause of 115 fires, and the percentage of fires is 28% of all the fires in Chicago from electrical equipment. All of the flat irons manufactured in the United States last year retailed for approximately $6,000,000, in round numbers. Iron fires known to have been caused in the United States last year, according to the best statistics available, amounted to $10,000,000. In other words, flat irons burn up nearly twice as much as the retail price of the irons. It does not prove anything. It is just a point of interest.

Short circuited or grounded motor

(*Continued on page 19*)

What a Century Has Taught Us

Lessons Learned from a Hundred Years of Experience in the Insurance World

(From Address at Louisville Convention)

By JAMES Y. NOYES

President and Treasurer Norfolk Mutual Fire Insurance Company of Dedham, Massachusetts

WHEN we think of the past hundred years we have a better understanding of some things if we can realize the conditions that existed 100 years ago. Josiah Quincy, of Boston, in writing of a reception given to Daniel Webster on the 17th of June in 1825, at which Lafayette was present, tells of meeting the famous Fanny Wright, described as a young woman, beautiful of countenance, 30 years of age, but having her hair cut short to her head. We are wondering now whether the custom mentioned at that time, 100 years ago, was the forerunner of the customs that we see today, or whether the customs of today are merely the copies of this custom 100 years ago.

So there are many things that are not wholly dissimilar to the times through which we are passing. We are told that James Monroe was the last President to wear the knee breeches and the silk stockings and the sword. We are told one of his family was refused admission to one of the functions at the White House on account of having on the new-fangled trousers instead of the regulation dress, and we are reminded of a recent President who had occasion to comment upon the bagginess of some of the trousers of some of the young men who appeared before him, advising certain appendages that might help their appearance. So there is a similarity with the ancient as with the modern.

There were not telephones nor telegraphs nor hardly any of the modern conveniences. We are told had there been a telegraph Andrew Jackson might never have been President of these United States, for he was made President as the hero of the battle of New Orleans over the British on January 8, 1815, but the Treaty of Ghent had been signed fifteen days before that.

So we wonder how people lived in those days, as we compare those times with ours. I could tell of the building of the railroads, for one example, how even the first engine that was built and run by Peter Cooper was beaten on its return trip from Washington to Baltimore by a horse drawing another car on a parallel rail.

LET us come down to some of the lessons that we learn when we think of present day insurance as compared with that of our forefathers. Insurance after all, is merely the survival of the fittest along certain well defined lines consistent with the policy of each company.

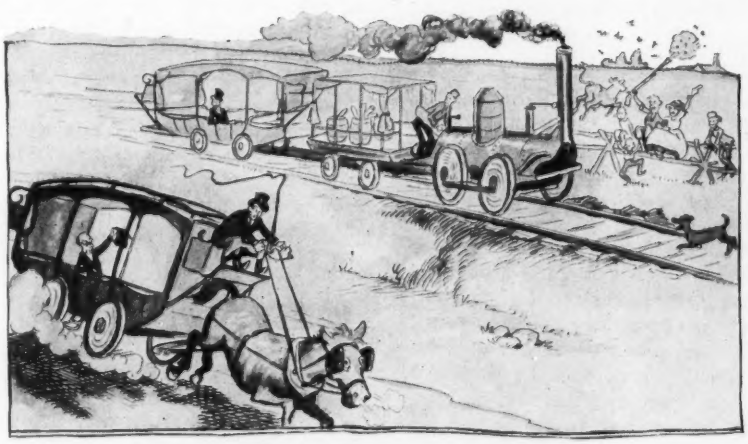
We are told that of the 202 companies involved in the Chicago Fire in 1871, 68 of them were obliged to retire, 81 others either suspended or withdrew except in insurance in their own states, that only 53, one-quarter of the entire number, paid their losses in full. The other three-quarters were embarrassed by not having segregated their risks sufficiently to guard against this terrible catastrophe.

We must also go further and see that one company or any company shall not write more on a given risk than will be consistent with its ability to pay; this can be avoided by reinsurance or by conflagration reinsurance, which is so much in demand in these days by many of our companies, and can be bought at reasonable price from some of our larger mutual companies, as well as from many of our stock friends.

Apparently it is impossible to predict specific conflagrations, and it is equally impossible to tell where the next conflagration will start. So we must be prepared at all times to guard against these great events that threaten the welfare and very life of all of our companies.

As I read the history of companies that have passed the century limit, including a number of stock friends, as well as mutuals, in every case it is found that their existence, to begin with, their preservation as they continued, and their final success has largely been due to three or four elements.

IN THE first place they had men of integrity, energy, enterprise and tireless devotion; men of affairs, of large means, oftentimes, and they were willing to sacrifice, if need be, in order that their projects might be successfully launched and carried through. They were men of great energy, who were willing to travel — and traveling in those days was a hardship we know nothing about; they had no railroads, no telegraphs, no automobiles; they of necessity depended upon the old stagecoach and that lumbering vehicle could travel, as a rule, but about five miles per hour. Going from New York to Philadelphia required practically 24 hours, and from New York to Boston, 48 hours. Thus we gain some idea of the energy required in those days to establish insurance companies. Furthermore, they were men of great enterprise. We are reminded



The First Engine, Built by Peter Cooper, Was Beaten by a Horse

(*Continued on page 20*)

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The Meeting of Many Minds

WE WONDER if the Wise Man of the Scriptures—Solomon, or whoever else he may have been—was not thinking about the value of conventions when he wrote, "Where no counsel is the people fall; but in the multitude of counsellors there is safety," and again, "Without counsel purposes are disappointed; but in the multitude of counsellors they are established."

In any case those who attended the recent convention of mutual insurance companies will recognize the appropriateness of these quotations, and those who read of the proceedings in the pages of the JOURNAL OF AMERICAN INSURANCE will not need argument in defense of the wisdom of the ancient philosopher.

AS THE world has grown older and gathered experience the value of conference has become increasingly appreciated by men of good sense. There is scarcely any enterprise worth considering or any movement of the smallest importance which does not find that it is strengthened by calling together those who are interested in order that they may confer, exchange opinions, challenge one another's viewpoints and beat out on the anvil of discussion a better understanding. Latterly we have witnessed the conference idea expanding from the spheres of business and professional interests into the larger sphere of world affairs, and the leaders of government are more and more emphasizing the great advantages which may be derived from the meeting of many minds in the realm of statecraft.

There are good reasons why conference should assume the aspect of a necessary aid to wise and effective procedure in our modern world. The problems of our complex civilization have become too many and too difficult for any one mind to master; the lore of experience has become too voluminous to be the possession of any one brain; the interdependence of individuals and groups, of communities and nations has become so vital to their welfare that none can afford to ignore the rest in its purposes and plannings.

THIS is the broad ground upon which the convention, as a vehicle for conference, stands fully justified. And in our own field of mutual insurance this latest convention was a striking demonstration of the value to be derived from such gatherings. We regret only that it is not possible to assemble on such occasions every man actively engaged in mutual insurance, and every mutual policy-holder in the country. Of course no convention hall in the United States could house such a multitude, and its unwieldliness might militate against its effectiveness. Still we wish that the inspiration of this convention, the illumination of it, might find their way into every mutual insurance office and into every home and place of business where the mutual principle is followed.

That is why we have made a big effort to catch the convention spirit and to preserve its high spots of helpfulness and enlightenment in this issue of the JOURNAL. The printed word cannot carry the thrill of the spoken word, nor can the situation described be felt as is the situation experienced; but those who were unable to attend can sense in these pages something of the convention atmosphere; they can find recorded much of what was vital and informing. And those who had the privilege of actually sharing in the conference sessions can revive impressions and refresh memory.

IN EVERY such convention there are big moments. There are times when the vision of purpose becomes vividly clear and the feeling of common interest vibrates with keen tingle thru the assembly. We value these emotional climaxes. We have never been able to see why business should be a cold, impressive thing. Certainly we cannot see how the business of mutual insurance can escape the surge of human sentiment. It is essentially a human thing, builded upon the strongest and finest instincts of our common human nature.

And there are times when the intellectual stimulus is so vigorous that minds leap to it. There are speakers who can flash the light of reason upon a familiar truth in a way that makes it shine with a new lustre and glory. Humor has its place, and many an error in thinking or in practice has been slain by the sharp sword of laughter.

Such occasions as these were not lacking in this convention. To carry them to you on the printed page is not an easy matter, but we have done our best. It is our hope that we have at least done so well as to evoke in the minds of many of our readers a determination to be present at the next convention, and to get thru direct contact what is here conveyed to them at longer range.

NECESSARILY the process of selection has been followed. Much that was interesting cannot find place within the limits of our space; but effort has been made to pass on to you the things, which in the fallible editoral judgment, have more than transitory worth—the things which will help to broaden conception of mutualism in its many possible applications, and to promote that spirit of coöperative effort which should mark all those who believe in the mutual principle.

We take a good deal of pride in this issue of the JOURNAL OF AMERICAN INSURANCE. If your interest is in any degree proportionate to our pride we will feel we have made a fair success of a job we wanted to do well.

Life-Lights on a Business Background

Blue Jay Clamor—or What's It All About?

By S. J. DUNCAN-CLARK

IN A TREE not far from my house a blue jay has his nest. He has been living in our neighborhood for several years now. I love to watch his swooping and diving flight—a flash of blue in the summer sun. But he is more beautiful to look upon than he is to hear.

Never was there a noisier bird; never one that seemed to be more constantly complaining. Certainly anything so lovely ought to be happy. Perhaps he is, but he doesn't sound that way. The lugubrious caw of the crow has a dismally depressing note, but at least it conveys the impression that nothing can be done about the matter. The situation is one to be accepted mournfully. On the other hand the blue jay insists on exciting you with shrill alarms. Something is wrong and everybody must get up and do something about it right away.

I USED to feel that I had no business sitting quietly on my back-porch while he was swooping about overhead yelling his angry protests. I pictured his wife and family in dire peril, and needing immediate rescue from a predatory cat or a disturbing small boy; but, having on several occasions located his nest and discovered no threatening danger to his young brood, I decided that neighbor blue jay was a temperamental bird, who loved excitement and rejoiced in calling attention to himself.

Now when I hear his frantic clamor, I am unmoved. I have given up trying to find out what it is all about. Maybe I do him a wrong. Maybe he has real troubles; but if so he does not make them articulate. In which he is not unlike some humans with whom I am acquainted. Doubtless you have met them. They are everlastingly crying out loud; but nobody knows just why. Everything is wrong, apparently, but there is nothing specific about their indictment of the universe. They clamor for attention, and they get it temporarily. At first it is sympathetic, but it soon becomes exasperated and then the world puts cotton in its ears with a cold indifference.

I have a notion the blue jay has never stopped shrieking long enough to analyze the cause of his angry and cacophonous emotion.

And I have a notion that many of these persistently complaining humans are in the same state of mental confusion. They have made a habit of complaining and the more they indulge in it the less certain are they where the trouble lies. The fact that they cannot hold attention and arouse a lasting sympathy only adds to their irritation, and puts sharper edge on their complaints.

The probability is that if they could be persuaded to be quiet for a day, and to go into conference with themselves, they would discover that the real source of their unhappiness and dissatisfaction lay inside rather than outside, was a matter of their own attitude toward the world, rather than of the world's attitude toward them.

MOST of the troubles men suffer result from a failure to adjust themselves to the demands of their environment. A man came into my office the other day. He was seeking a job. He came from another country across the water. He had been out of work for weeks. Rent was over-due. He and his wife needed clothes. His first statement of his case aroused my sympathy. I showed it, and he opened up. There followed a long and bitter wail about the manners and customs of America, the peculiar ways we have of doing things over here. Nothing was as it ought to be because nothing was as he had known it. My sympathy began to ebb, unreasonably perhaps; but it was obvious that the man's troubles lay wholly in himself, that they were merely the projected shadow of his national egotism clouding everything at which he looked. I tried to make this clear to him. My effort was wasted. He left my office grumbling that I did not understand him. Poor chap, he did not understand himself.

A MAN does not have to be a foreigner in this country in order to fall into his error. I have met not a few Americans by birth who were finding the world all wrong because they could see nothing but the shadow of themselves darkening everything on which it fell—and did not recognize it. When a man sees his own shadow he is standing with his back to the light. If he would turn himself about the landscape might present a different aspect.

I recall reading once about a certain species of tree—a willow tree, if I remember aright—which grows somewhere in this country. Its peculiarity is that whenever a branch is broken from it all the energy of the tree goes into raising a diamond shaped scar over the wound. It puts so much energy into making the scar, as a memorial of its injury, that it has little left with which to grow. Hence it remains a stunted, marred and unlovely tree.

There are lives like that. Every loss becomes a perpetual source of grievance, and so much emotion is expended on bemoaning it that strength is not left for growth.

How much finer than the diamond-scarred willow is the lofty pine, which, forgetting the injuries suffered by its lower branches, reaches ever upward and spreads its banners of undying green at heights above the danger of casual harm. Thus big men grow.

I HAVE wandered rather far from my blue jay, but one thing leads to another, and, writing this within sight of Thanksgiving day, I am wondering if the approach of that festival does not create a good and suitable occasion for all of us to ask ourselves whether there is not much more reason for rejoicing in the world than for complaining. At least we can determine that when we do complain we will be sure the provocation for our clamor does not lie within ourselves. If it does, the wisest thing is to set it right as quietly as possible.

WIFE—"I've put your shirt on the clotheshorse, Jim."

JIM—"What odds did you get?"—*Sydney Bulletin.*

For the first time in his life Bobby saw a flounder.

"Look, ma," he cried excitedly. "Look at that funny fish! He's got a flat tire!"—*The Open Road.*

Auto Insurance

(*Continued from page* 8)

The following are several illustrations of specific Property Damage cases which are not covered by the policy:

Case 1. Louis Rosenthal offered to take the friend of one of his neighbors to the station in his Packard touring car, and also offered to transport his steamer trunk which was placed on the running board and lashed to the car. On the way to the station Rosenthal attempted to turn out of the road to avoid a large truck coming in the opposite direction, but in doing so the car skidded and bumped into a hydrant which smashed the trunk, the contents of which were strewn all over the street and sidewalk. The trunk, clothing and other articles were ruined. The passenger, knowing that Rosenthal was insured, made a substantial claim for damage to his clothing and personal effects originally contained in the trunk. There was no coverage under the policy because the property damaged was in charge of the assured and carried by his automobile.

Case 2. Henry Williams lived in a house which he leased together with a private garage in the rear of the property. While driving into the garage one evening, Williams, unable to retard the progress of the car sufficiently, due to defective brakes, bumped into the door and side of the garage, practically demolishing the entire structure and badly damaging his own car. The landlord made a claim for damages to the garage and Williams expected the company to take care of the claim under the terms of his policy. The claim, however, was not covered by the policy inasmuch as the property damage was in charge of Williams, the assured, at the time of the accident.

Case 3. Browsky, a truckman, was moving a piano to the new residence of a family named Hoffman. He was stopped suddenly at a street crossing by a traffic officer. A large truck just behind him, carrying a steel girder, could not be stopped in time to prevent the girder from crashing into the piano and causing a total loss so far as the piano was concerned. Hoffman sued Browsky. The latter presented the claim to the insurance company, thinking he was properly covered for Property Damage. In this case there was no coverage under the policy inasmuch as the property damaged was in charge of the assured and carried by his automobile at the time of accident.

Other cases of interest could be cited, if space permitted, particularly those involving the question of loading and unloading and collection and delivery of goods.

Collision Insurance

AUTOMOBILE Collision insurance provides indemnity to the assured on account of loss or damage to the automobile or automobiles owned by the assured by reason of accidental collision with any other object, whether moving or stationary. In contrast to Property Damage insurance, Collision insurance covers loss or damage to the cars owned by the assured and not the cars or property owned by others. Collision insurance is frequently written as an adjunct to Public Liability and Property Damage insurance, while other companies write it in connection with Fire and Theft insurance.

The policy covers the *named assured* against direct loss or damage to the automobile or automobiles specified and, in addition to covering the automobile on the road, it also covers while the automobile is in any building, on railroad car or any other land conveyance, ferry or inland steamer, or coastwise steamer between ports within the territorial limits of the United States and the Dominion of Canada, against accidental collision with another automobile, vehicle or any other object. Collision insurance also covers loss or damage to the automobile by reason of accidental upset.

Exclusions

The policy excludes loss or damage to robes, wearing apparel, personal effects, or extra bodies. It excludes loss or damage caused directly or indirectly by fire. It excludes loss or damage caused directly or indirectly by invasion, insurrection or riot.

The policy excludes loss or damage to any tire by puncture, cut, gash, or blow-out or any other ordinary tire troubles and excludes, in any event, loss or damage to any tire unless caused in an accidental collision which also causes other loss or damage to the insured automobile.

The policy does not cover compensation for loss of use of the property at the time any loss or damage occurs. The company is not liable beyond what it would then cost the assured to repair or replace same with material of like kind and quality.

There can be no abandonment to the company of the property damaged or destroyed. The assured must protect the damaged property from further loss or damage and shall not recover for any further loss or damage through failure to protect.

The company is not liable for loss or damage to the automobile while in possession of a bailee for hire under a contract, stipulation or assignment whereby the benefit of the protection is sought to be made available to such bailee.

The policy becomes *null and void* if the automobile shall be used for carrying passengers for compensation or rented or operated in any speed contest or if, when a loss occurs, there be any other insurance covering against the risk assumed which would attach if this protection had not been effected, or if the interests of the assured in the automobile be or become encumbered by any lien or mortgage except as stated in the declaration, or if there is transfer or termination of any interest of the assured, other than by death of the insured, or any change in the nature of the insurable interest of the assured in the automobile by sale or otherwise.

The policy also becomes *null and void* if any statement warranted by the assured is not true or if the assured attempts to conceal or misrepresent any material fact or circumstance concerning the insurance or the subject thereof, or in any case of fraud, or attempted fraud or false swearing by the assured touching any matter relating to the insurance, or the subject thereof, whether before or after a loss.

If the policy is written on a deductible basis, as most collision policies are, the company is not liable for any loss except that in excess of the amount deductible for each accident.

The policy does not cover unless the use of the automobile is restricted to the uses expressed and specified in the declaration.

Illustrations

The following are a few illustrations of certain cases which are or are not covered by the policy:

Case 1. A new Cadillac Sedan, owned by Albert Nichols, a resident of a far western state, was damaged as a result of extremely large hail stones during an unusually bad storm. Claim was made for damages, which were the result of an act of God, so to speak, and inasmuch as an act of God is not excluded by the policy which specifically covers collision with any other object, whether moving or stationary, the assured had a proper claim and payment was made by the insuring company.

Case 2. A large steel girder, carried by a derrick on a building undergoing construction, fell when the derrick broke, completely demolishing a limousine owned by a stock broker named Harlow. Claim was made and paid subject to a $100 deduction which was provided by the policy. The car was damaged by a moving object, such case being specifically covered by the policy, even though the car itself was not in motion.

Case 3. A new Chrysler runabout owned by a man named Blackwell was damaged during the strike of a large textile factory. The car, which was parked opposite the plant at the time, was badly damaged by stones, bricks and other missiles thrown by strikers during a serious riot. Claim was made for damage to the car by the owner. The company disclaimed liability because the policy specifically excluded damage to a car caused by riot.

Case 4. An expensive radio set was being transported in the tonneau of a Studebaker touring car to the home of a man named Burton after he had made the purchase at a local radio shop in the downtown district of the city. On the way home he

(*Continued on page* 26)

Electrical Installation in Homes

(*Continued from page 14*)

windings, 39 fires; defective fixtures, 28 fires; wiring of Christmas trees, 15 fires; cords used as line wires, 24 fires; breakdowns in transformers, 14; cut out cabinet wiring, 14; service conduit wiring, 14; defective contacts on other than cut out cabinets, 13; defective cords on appliances, 13; sparks from commutators, 13; open wiring, 11. That just gives an idea of the relative importance of the various equipment, but it really does not mean very much.

THERE is no point in my talking to you on the current carrying capacity of wire or the rated amperage of the various types of equipment, or in my getting technical and trying to educate you here as to the details of electricity. You have your tables of the carrying capacity of wires, and you have your wattage stamped on every piece of apparatus, and all you have to do is to apply those simple rules that are written out for you.

Of course, you all think that you are electricians, that it is foolish to call in an electrician to fix a little thing like a wire. If the fuse blows there is something wrong with the fuse, so you put a penny in. There is always some one in every family that knows how to fix a fuse, and it is always a penny. You don't believe that happens very often. In Indianapolis they had a clean-up campaign and the boys of Indianapolis turned in $32.00 of pennies, and the report is that Wrigley did a very good business that week on the money they did not turn in.

A fuse is the safety valve of your electricity. If your circuit is improperly fused you are unsafe. We have all laughed at Mark Twain with his nigger sitting on the safety valve and cried at the result. There is a nigger in the cut-out box of altogether too many homes in the United States, and I think that is responsible for a very great number of our electrical fires. The penny back of the fuse, or the wrong sized fuse.

A No. 14 wire is supposed to be protected by a 15 ampere fuse. If you say that to an electrician he smiles and says you can carry 30 amperes on it and it won't burn up. It won't burn up right then, of course, and you may never hurt that wire with a 20 or 25 ampere current on it. If it has plenty of radiation and does not happen to get into a place where the radiation is interfered with you may never hurt that wire with 25 amperes. But that fuse is not protecting the No. 14 wire that runs along through the studs or inside the conduit. It is protecting the little drop cord that comes out, a No. 18 wire, so whenever you increase your fuse from 15 to 20 or 25 amperes on a lighting circuit you have very materially increased the fire hazard from that lighting circuit.

There are two messages that I want to bring to you on electricity. The first is that you have a National Electric Code, which lays down all of the rules of installation. It is a comparatively simple code. Every electrician should know it in detail, and if you in your own homes, and as far as it is within your control in the homes where you have the insurance, don't insist upon full compliance with the National Electric Code you have neglected your duty as fire preventionists.

The second is that you have the Underwriters' Laboratories established and operated as an organization largely of stock companies, but it is at your disposal, and if insofar as it is within your control you don't see that every piece of apparatus in your home and in the homes of your assured have the approval of the Underwriters' Laboratories, you have fallen down hard as fire preventionists.

THE second part of my subject being the fire hazards of radio, I would consider that I was doing wrong if I tried to leave you with the impression that radio has a distinct fire hazard. Those of us who followed fire prevention carefully thought when radio came out that here is another cause that is going to burn us up. We have to do something about radio. They are going to string wires up in the air and bring all the lightning there is in the air down onto us. They are going to put storage batteries in and they are going to hook up to all kinds of telephone cord and we are going to have a very great increase in our fire losses because of the installation of radios in a very large percentage of the American homes. As a matter of fact, we have not had that increase at all.

I don't mean to say there is no fire hazard to radio and that there have been no fires. There have been fires from radio, but not in a large enough proportion to our other fires to give any great amount of inspection attention to the fire hazards of radio. I think radios are very much more apt to fire our imaginations than they are to fire our homes. Those of you who listened in on the last game of the world series will understand what I mean.

There are certain features of radio that should have very, very careful attention. One is the lightning arrester. Every good set has an outside antenna. We thought we would have one of them struck every few minutes. As a matter of fact, they are seldom struck with lightning, but they are often enough to make absolutely essential the lightning arresters. It is like putting a lightning rod on top of your house and not grounding it if you put a metal mast on top of your house and then don't ground it. It is very essential that the metal mast and its stay wire be grounded. It is very essential that the lead-in wire from the antenna of a radio have a lightning arrester. Lightning is apt to ruin your apparatus, whether it causes fire or not or whether it is a direct stroke or not. The wire up there picks up a lot of electricity during a storm and it picks up enough so that you are going to get a lot of static down through your machine, and when it is strong enough your machine will be knocked out by the static. Most of that static that is really dangerous to your set is of sufficient voltage so that a 500-volt lightning arrester will pick that off and run it into the ground. Also, you are apt to get a direct stroke. The actual fires that have been set are hard to find. We have a few. You will get a lot of radios knocked to pieces, even though you have a lightning arrester, but that arrester will pick off a lot of it and put it in the ground. But if you get a direct hit you are going to get your apparatus spoiled, anyway.

IN ADDITION to the lightning arrester you must have a cut-out switch which you will go out and pull out in case of a bad thunderstorm. It saves your machine and this absolutely shorts the antenna and cuts it out of the house. The next important thing is to put a set of fuses, 10 or 15 ampere fuses, on your battery. You can take an ordinary battery and almost melt down a piece of steel with it and if you get a short in there something is bound to burn. Usually it will burn the wire off and go out on the inside, but when you get a short on your storage battery something is bound to burn. So fuses of about 15

(*Continued on page 26*)

Address by President O'Leary

(*Continued from page* 10)

Commerce and trade associations. In order to stimulate interest and arouse a spirit of competition, in the Chamber, a fire waste contest was started. It has clearly proven that fire waste under intelligent leadership can be curtailed.

So far application blanks for entry in the contest have been received from nearly 500 cities, which have a combined population of more than 30,000,000 inhabitants. These cities are divided into four classes, according to the size of the population. The city in each class which has the best record of accomplishments along the lines of education, permanent improvements and the reduction in losses receives a permanent award. Of the four winners the one with the best record receives special recognition.

LET us look at the results of the 1925 contest. Over 50 per cent of the competing cities sent in record forms. The population of these cities was about 20,000,000, or two-thirds of the total population affected by the contest. Coincident with the efforts of the Chamber of Commerce in these cities, there has been a saving in life and property. Seventy per cent reported a reduction in the number of persons killed by fire as compared with the average for the preceding five years, or else have no life loss at all from this cause. A little over 72 per cent decreased the number of persons injured or experienced no injuries; 56 per cent of the cities reported a decrease in property loss.

From the foregoing it is evident that this co-operative effort measured in terms of lives as well as dollars and cents has paid. I want to urge continued interest in this movement and express the hope that all will volunteer their service to the Secretary of your local Chamber of Commerce in order to help accomplish even greater results in the future.

Good organization precedes self-government. No line of business endeavor can establish principles of conduct without organization. Every effort should be made to build strong representative associations which can speak with authority for their members. In any movement where action is for the common welfare some individual rights must be waived. There must be a willingness to accept the judgment of the majority and confidence that teamwork pays. As business grows there is more and more a tendency toward over-regulation. One of the best safeguards against this is self-regulation. Evils are bound to develop in any kind or type of human activity. In order that they may be rooted out before they assume any substantial proportions, there must be frankness and courage shown by those deciding the policies of any organized effort.

WE HAVE full confidence in the good judgment and common sense of the American people. With a willingness on the part of business to do the right thing, the remaining problem is to get the facts before the people. There are various ways and means of doing this, each adapted to the needs and customs of peculiar types of enterprise. The day is past when any form of individual business can exist by itself. The interrelationship of our economic processes is so complicated today that what affects one is reflected in the condition of others. It behooves all business, therefore, to develop common fundamental principles which make for prosperity, and thereafter bring their influence to bear in a united way when their support of their principle is necessary.

The National Chamber was created to perform these functions for business generally. How well it has fulfilled its mission is evident from its continued growth. The success, though, is dependent to a very great degree upon the whole hearted co-operation of its 1,450 member organizations, six of which represent various types of mutual insurance interests.

Live Letters

(*Continued from page* 12)

FACTS will prove mighty interesting!

"To make sure that your name is engraved on the pencil just as you would prefer to have it, will you please PRINT IT that way on the enclosed self-addressed stamped card?"

Now, it's well to leave something for the card to do, so in addition to providing a space for the prospect's name, we'll let him tell us on it *what time* will be most convenient for him to receive the pencil and the FACTS:

"The most convenient time for you to deliver that silver pencil and those facts which I am to figure out for myself with it, will be at —— P. M. on ——————. Engrave my name just this way:

A. M.

Probably as many prospects, and certainly many more of the better type, will respond to this straightforward appeal which definitely couples the gift with the real objective, as would respond to the usual method; and this way the prospect accepts the interview with his eyes wide open and with some genuine curiosity as to whether he may not be losing money on insurance premiums.

MAYBE you can improve on the COPY for such a letter yourself, but you're fairly certain to agree with the soundness of the idea of *selling the interview* rather than trying to sell the *policy* or merely giving the salesman a door-opener which may hurt as much as it helps.

Now we have already considered the possibility that it may not always or often be good practice to work salesmen on even the best of such "leads," so a subsequent article in this series will take up the question of *completing the sale by mail*—because it *can* be done, as you will see for yourself in the January Number!

EDITORIAL NOTE: The next article of this Series in the December Number, will deal with "Locating 'Leads' Without Letters."

What a Century Has Taught Us

(*Continued from page* 15)

afresh that after many a conflagration not only surplus was wiped out, but reserves were wiped out and in some cases capital was wiped out, and those in charge were obliged then to dig down for new money and to stand by the policy holders who had suffered the loss, and pay dollar for dollar. If that is not enterprise, then I know not really what it is.

They were men of tireless devotion. They were men who were working early and late and who were striving, with might and main for the interests that were at stake. It is well expressed in one of Tennyson's poems:

"I hold it true that he who sings
To one clear harp in divers tones,
That men may rise on stepping stones
From their dead selves to higher things."

Oil Heaters and Burners

Practical Questions Which Have Arisen with New Systems of Keeping Buildings Warm

(From Address at Louisville Convention)

By E. J. SMITH

Of Underwriters' Laboratories, Chicago, Ill.

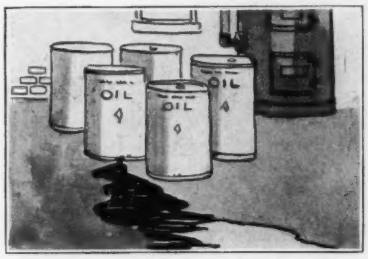
UNDERWRITERS' Laboratories have been working on oil burners, after a fashion, ever since they were established back in the nineties.

Going back through the old records I find oil burners of a sort described in our original card system, which was begun in 1904, burners which were perhaps tested in 1899, so we can see that the oil burner game is, as they call it, not a new one.

It was not until 1912 that Underwriters' Laboratories first listed an oil burner. That was not a domestic burner. It was more of an industrial type, and it was ahead of its time because then they could not get the fuels of proper quality. They say at the present time we are having difficulty in getting fuels of uniform quality to satisfy us insofar as proper heating conditions are concerned. In 1912 we could not get any oil company to give us a contract to supply oil so we could depend upon it. A burner lasted only two or three years.

It was not until 1918 when we listed the first domestic oil burner that this present stage of the oil burner industry began. The first five years we listed nine domestic oil burners. In the following year, about 1924, we had 25 listed. The next year it jumped and now we have 55 oil burners listed. This means that there are 55 manufacturers who are prepared to supply you with oil burners which, if properly installed and properly maintained, should give you decently good heating satisfaction and do it safely, as safely as with any method of heating, providing instructions are followed.

IN TESTING oil burners for domestic use, Underwriters' Laboratories has gradully increased its equipment. When it first began we had one furnace. That was soon boosted up to three and it was only a little less than a year ago that we thought that six was a large number. We now have sixteen and are thinking about putting in some more, so that any time we can be testing sixteen or more oil burners at once.



Those devices are thoroughly tested under various conditions. We try, so far as we can in a limited time, to demonstrate what will happen if the user does not exactly follow all the instructions given by the manufacturer. We want to try out the manufacturer's directions and instructions to users as to how the devices should be installed and how they should be operated. In other words, we try to put ourselves in the user's shoes and not quite understand the manufacturer's instructions, and produce abnormal conditions. We try to produce abnormal conditions by what we call accelerated tests, so as to see what the action will be on various parts and metals. It is a rather difficult process.

So far as the question of corrosion is concerned, any attempt to produce an accelerated condition leads you into a blind alley, because you are not always able to say when you have produced the accelerated effect. I

Photos © by Underwood & Underwood

Residences Are Not the Only Structures to Suffer From Oil-Fed Fires

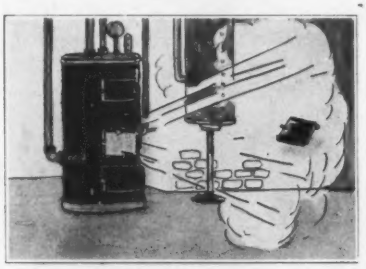
mean an effect which under normal conditions would represent four to six years of normal service. Our accelerated condition cannot always be calibrated, but it does help to discount the action of time, and in many cases we point out to the manufacturer where changes should be made.

UPON the completion of our tests we hold a clinic over the burner. It is taken out of the furnace and the engineers study its characteristics, check over the log of the tests, check over the parts and judging from the experience we have had, prepare for the manufacturer a preliminary report, telling him here, there and elsewhere are features which are open to question and should be altered, so as to produce more satisfactory results. In many cases the manufacturer takes exception to it, because inventors are very difficult people to deal with, particularly when the engineer is rather young looking. He will say, "This young fellow does not know what he is talking about. Here I have been burning oil (producing smoke at the same time) for years and he tells me my pet idea is all wrong." So we have to convince him that there should be some changes made. He makes the changes and brings in the second example. We put it in the furnace again and give it a thorough test.

Finally, when we are satisfied that he has conformed to the regulations we have, and that he has his instructions prepared so that they conform to the installation regulations of the National Board, we proceed to prepare a report describing the device in detail, illustrating it with blue prints and photographs wherever necessary, so as to give our Fire Council Committee a proper idea of the construction of the device, a description of our tests, how the device performs, conclusions in regard to its operation, and ending up with a recommendation as to the advice to be published with regard to the equipment. That is sent to our Fire Council by mail and they are given an opportunity to vote by mail.

Assuming that they concur with us in our recommendations, we then proceed to issue this card of advice for it. For the past period during which we have been listing domestic oil burners they have been listed under what we term our re-examination service. That means a service where annually or oftener we send an engineer to the factory to make a

Bystanders Do Not Realize How Much Fires Cost



re-examination of the device to determine whether the manufacturer has conformed to the description contained in the original report. If he has not conformed, we require them immediately to make the necessary changes to bring the device into conformance with the description.

TO IDENTIFY the device you will find our cards and lists contain a statement with regard to marking. The statement with regard to marking is the important part of the list. It says: ———— burner or Type X burner, marking Type X burner on the name plate attached to the lower housing or describing some other place in which that marking may be, or in the case of some types of burners there may be several markings, all of which should appear on the parts of the device enumerated. If they don't appear there, if the inspector is careless and sees that they appear in only one place, then he does not know that he has a burner which has been sold as being represented by the manufacturer to be the one which is listed by us.

That particular service has been going on since 1911, and it is now to be replaced by a label service for domestic oil burners. No doubt you are familiar with our label service form of supervision, whereby we have our inspectors in the different cities where devices are to be labeled, and in the maker's city, and upon finding that they are conforming to the description which we term our label service procedure, permit the manufacturers to attach a label.

If you are interested in whether a burner is listed by the Laboratories and want to insist on the use of a listed burner, remember that the transition from the re-examination service to the label service will cause considerable of friction. If for a time at least you don't give people recognition to both systems—in other words, if knowing that the label service is to be inaugurated on October 15 of this year, you immediately say only labeled burners are to be used, you are going to confront the manufacturers with a condition that will cause them a great deal of distress. They have stock made up under the old re-examination service and they will not be able to get that labeled, because it is made under another system, and their dealers will have those devices. The best you can do, and what you should do, is to ascertain with a reasonable degree of certainty that that material was manufactured prior to January 1, 1927, and if so, if the conditions seem to warrant it, and the device is properly installed, you give it proper recognition.

THAT is what we do to oil burners and how we enable you to recognize those devices. That is only a small part of the oil burner, however. The question of proper installation, is a great problem, com-

(*Continued on page* 30)

Solving Farm Fire Problems

Suggestions as to Ways and Means of Checking the Enormous Losses Incident to Country Life

(From Address at Louisville Convention)

By PROF. LYNN ROBERTS
Of Purdue University

IT SEEMS to be a characteristic of most people not to be excited by anything unless it comes all of a sudden in a spectacular manner. That is one reason why we are not wrought up more by the large figures we hear about farm fire losses. It is because farm fires, while they are very important to the man who suffers the loss, occur over a long period of time and over a wide territory, so that we do not realize the importance of the big total of $150,000,000 worth of property annually destroyed on farms in the United States. It might just as well be $150,000,000,000 as far as most of us are concerned. The majority of people don't perhaps appreciate very much difference between dollar figures when they get up beyond three or four ciphers.

Actually, that $150,000,000 is a mighty big sum. We can appreciate it better if we'd bring it down to ground by saying that it is enough to run all the departments of government of a big state like Indiana for a couple of years, or that it would finance the whole U. S. Department of Agriculture with its 20,000 employees for several years. They would probably be glad to have that budget to work on. If we apply it in ways like that we comprehend to a certain extent that it is a big sum, but even then we are talking about only a small part of the loss that actually comes through fires on farms in the United States.

AN EVEN bigger loss than the actual destruction of the timber and contents of these buildings is the loss that comes through the destruction of a working plan, the interruption of the program on producing farms. I think you people who have not gone through a farm fire loss cannot appreciate the extent to which farmers are handicapped when in the middle of a season, as everything is going along well, fire comes along and destroys some part of the factory that they are operating. It may destroy some of the outbuildings or some of the equipment that can be looked at literally as a part of the working plan. It may destroy the house, in which case it is even more disastrous on account of its effect upon the whole morale of the farm family than if it destroys some outbuilding. It interrupts the whole program and prevents that farmer from producing efficiently and from contributing his share to the production of the country.

If the loss were decreasing as time went on we would not need to worry very much about it, but you know as I do that the best figures we have show that fire losses on farms are actually increasing considerably from year to year. In twelve mid-western states during the five-year period ending at the close of 1924, the loss from fires on farms increased 29 percent, whereas at the same time the per capita loss in cities through control methods and through being better organized, naturally, to fight fires, to prevent them, has gone down. It is reasonable to assume that with automobiles and gasoline engines and tractors and electrically driven machinery, power of all kinds, playing an increasingly important part in farming as time goes on, that this problem of controlling fire on the farms is going to continue to be a large challenge to any one who appreciates the importance of conserving the resources of the country and keeping these people who are producing in good trim.

> *COMPARE this problem with the problem in town. There are some differences, of course. In the first place, fires in the country naturally have to be prevented rather than put out after they start, to a pretty large extent. You could not have a fire start in a building in a city (unless it was completely inside where nobody would go) that would not be noticed very soon. In the country you have a different problem entirely. If a fire starts in a barn it may not be noticed by any one until it has gained enough headway so it is absolutely impossible with the best kind of equipment to control it. That is one reason why it is harder to conquer fires on farms.*

We would not need to worry about this proposition, also, if it were something that we could not do anything about. But we do know that we can do something about it, and it is significant that within recent years the attempt to control farm fires has been growing constantly larger and more effective. As you know lightning and defective flues are two of the largest contributing causes to farm fires, and to a large extent both of those are absolutely controllable.

THE School of Agriculture Experiment Station at Guelph, Ontario, has done considerable investigating on the effects of lightning and their results, while somewhat old, apply. They mentioned that as far as lightning strokes are concerned, lightning rods controlled strokes around 90 to 92 percent. As far as controlling loss is concerned, lightning rods have been found to control that practically 99 percent. Of course the big purpose lightning rods serve is to prevent strokes entirely, but even when strokes do come with well grounded, well put on lightning rods, bad fires seldom result and the damage is not as great. Some of the people from Michigan could probably give testimony to the results they have there on lightning rods in a cooperative that issues insurance policies only to farmers who have their buildings rodded, and who pass the inspection made by examiners of the company. If I am not misinformed, for a three-year period they paid on a large risk only $32 damages from losses caused by lightning, and this covered three claims, on all of which it was found that there was some defect in the rodding that their examiners had overlooked.

I believe in Iowa the figures show around $70 paid out on unrodded buildings for the same risk for $1.00 paid out on properly rodded buildings, and we could give other examples of the effectiveness of rodding. That is pretty largely a matter of education to bring the truth home. Some of the leading men in the country, men who are more or less economists, who are looking continually for places to benefit farmers, don't realize that lightning rods are a good thing. I know some very prominent men interested in fire loss who control a good many buildings, and none of the structures have lightning rods. I think that conditions like that are going to become much less as time

goes on. But every one has an opportunity to contribute a certain part of the general educational scheme for lightning rods, for properly constructed flues, for roofs that are not subject to great loss from sparks, for controlling refuse around buildings, and in numerous other ways cutting down the big toll that is being taken by the fire demon on farms every year, not only big loss in property but a big loss in human life that can't be measured.

COMPARE this problem with the problem in town. There are some differences, of course. In the first place, fires in the country naturally have to be prevented rather than put out after they start, to a pretty large extent. You could not have a fire start in a building in a city (unless it was completely inside where nobody would go) that would not be noticed very soon. There are examples, of course, of fires that smoulder away in the interior of a building and gain considerable headway before they are reported, but in a large majority of cases where there are people continually going by and where people are up all hours of the night and day a fire is noticed soon after it starts. In the country you have a different problem entirely. If a fire starts in a barn it may not be noticed by any one until it has gained enough headway so it is absolutely impossible with the best kind of equipment to control it. That is one reason why it is harder to control fires.

Another one, of course, is the difficulty in getting effective fire fighting apparatus in rural districts. I think there is an opportunity probably for some steps along improvement in fire fighting in the country, but at least with the greatest development we can expect there, there is bound to be a handicap as far as comparison with the city conditions are concerned.

In Easton, Maryland, I read a report a short time ago that they are doing some very effective work in farm fire fighting apparatus that may set an example for some other people. There may be better examples than that, but I want to tell you just briefly what they are doing there. Through popular subscription they raised within a short time $500 for which they purchased a fire fighting equipment and turned it over to the city of Easton with the understanding that it be used in answering rural calls. It could be used in the city at any time when it was not needed in the country. A short time after that the firemen in Easton raised money themselves to purchase another unit of equipment, and they have those two units available that respond to fire calls all over the country, going as far as 30 miles away, and their experience is that they have been able to control a large number of the fires, that they have been able to get there quick enough so that they have put out a lot of them after they started; at least they have been able to save surrounding buildings. That would not have been possible if they had not been there on the job with that equipment that early. That encouraged the people there to try to get that idea over in other places in the county, and they sent one of their rigs over to a little town and called a meeting of farmers and put the proposition up to them and raised $600 in 15 minutes in that meeting to purchase fire fighting apparatus to be used right around there, and that was subsequently increased by another $600 to purchase additional equipment. In other places around there they have put in small outfits which, while they can't be anywhere nearly as effective as the larger outfits, have to a certain extent been beneficial in controlling fires.

IN EASTON, Maryland, I read a report a short time ago that they are doing some very effective work in farm fire fighting apparatus that may set an example for some other people. There may be better examples than that, but I want to tell you just briefly what they are doing there. Through popular subscription they raised within a short time $500 for which they purchased a fire fighting equipment and turned it over to the city of Easton with the understanding that it be used in answering rural calls. It could be used in the city at any time when it was not needed in the country.

IN A LARGE way, however, any results we are going to secure in reducing fire losses are going to have to come through individual action of farmers themselves, and also of building constructors. Farmers are not entirely to blame for a good many fire losses if the buildings are located so that the fire hazard is increased, or if they are constructed in a faulty manner, but given any set of buildings and turning them over to a farmer, there is a great deal of difference, of course, in the hazard that comes about due to the way the farmer cares for those buildings, the way he handles the different phases of his farm operation.

The Legal Reserve Companies are doing considerable in the way of encouraging control of farm fire losses. At their meeting with representatives of the Agricultural Editors' Association last year and with the American Farm Bureau Federation they presented this matter. Furthermore they secured a membership in the National Radio Council, and during the past year gave approximately 35 radio talks on farm fire control, and have plans for giving around a hundred more such talks this coming year.

Last March the National Fire Waste Council of the U. S. Chamber of Commerce appointed an Agricultural Committee, and this body has had two meetings during the year. They have four different divisions of that committee, one on publicity, one on legislation, one on education, one on field work, and each one of those again is sub-divided into sub-committees, the Committee on Publicity, for instance, having a sub-committee on Radio, one on Press, one on Speakers, and the Division on Education having a sub-committee on Building Location and Construction. Incidentally Prof. Deane G. Carter is the Chairman of that Committee, which shows you the type of men they are getting to work on this problem.

They have a sub-committe on Farm Fire Fighting Equipment and Methods and other sub-committees. All through this work they have attempted to get men who not only are outstanding on account of their personal ability, but because of their contacts with associations they represent and other individuals who are able to line up behind them some of the leading forces in the country, such as the Agricultural Engineers, the Underwriters, the Department of Agriculture, the Experiment Stations and other organizations.

I think that the mutuals have an unusual opportunity to share in work of this kind. I know that many mutual associations are doing a great deal now, but there is opportunity to do still more. Both through educational propaganda and through requirements for insurance that you can put into force you can do much to make farmers line up on some of these things that you know are true in regard to reducing hazards. I believe that you are going to be one of the most effective agencies for reducing or, at least, keeping down to the present level of fire losses, in the future.

Federal Land Bank and Insurance

Benefits to Farmers Flowing from This Great Financial Institution and How Loans Are Protected

(From address at Louisville Convention)

By HON. JAMES B. DAVIS
President Federal Land Bank, Louisville, Kentucky

A NUMBER of years ago when the Federal Land Bank was first organized, there was considerably more antagonism to Mutual types of insurance than there is at the present time. In my experience in the banking business, in which business I have always been, I have attempted at all times to look upon insurance in the first place as being a positive protection, and in the second place, a business which should be conducted at the least possible cost to the assured. Viewing insurance protection from that angle, I have come to the conclusion that you men are rendering a distinct service, especially to the farmers in this country, and for that service you are to be thanked.

At the outset of Federal Land Banks in this country there was a disposition on the part of a number of experts and bankers and economists to look with disfavor upon the acceptance of insurance policies issued by mutual fire insurance companies as protection in the loans made by the Federal Land Bank.

I am glad to state to you that I happen to be one of the men who took the opposite view on that proposition. I could not understand why an insurance policy issued by a mutual insurance company, properly organized and properly conducted, was not a safe insurance policy to accept. Fortunately, that policy of accepting your insurance was put into effect, and today the Federal Land Bank of Louisville, being the largest repository of fire insurance policies in this section of the country, has in its vaults insurance policies issued by a great number of the mutual companies.

THERE is a similarity between the underlying motive of your vast organization and the principles to be found in the Federal Land Bank. It would seem to me that there are two major problems for you men to solve and to be constantly aware of. Other problems are details which go to make up the two major ones.

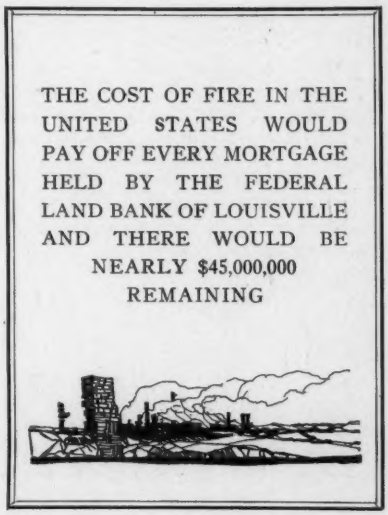
The first problem is: That adequate insurance be given to the preservation or protection against loss.

The second is to furnish that insurance at the least possible cost.

When you have said those two things you have said practically the whole story.

With the Federal Land Bank there is a similar desire to serve. In the first place, to furnish money or to make a loan to a farmer to insure him against financial distress, and secondly, to furnish him that money at the least possible cost. I am proud to state to you that the Federal Land Bank is most certainly giving that service.

One of the best friends an insurance company has, and this goes for the old line companies as well as the companies you men represent, is the banker. Not that the banker is essential to your prosperity or success. But the good banker in his caution always will insist that improvements be adequately protected from loss by fire. I have always insisted that insurance be furnished in practically every loan that we make. I have heard it discussed, and men have told me on a number of occasions, "Why, Davis, you should not require insurance in this loan. The land itself is more than adequate to take care of the loan. Why should you require that farmer to take out insurance, the policy to be filed with your bank, when the value of the land itself is more than twice the amount of money involved in the loan?"


THE COST OF FIRE IN THE UNITED STATES WOULD PAY OFF EVERY MORTGAGE HELD BY THE FEDERAL LAND BANK OF LOUISVILLE AND THERE WOULD BE NEARLY $45,000,000 REMAINING

Well, I would say to such a question, in the first place I should look to the interest of the borrower himself as well as primarily to the bank to whom he owes the money. If we should not require insurance in some cases, the farmer, perhaps and probably, would not take out the insurance which would in the first instance protect him, and it is really a service to the borrower himself for a bank in practically every case to require that that borrower take out insurance in an amount suggested by the bank.

UNDER the terms of the act under which the Federal Land Banks are chartered, there is a provision whereby we can loan 20 per cent of the value of the permanent insurable improvements on a farm land. That does not mean, of course, that we take the improvements into consideration as a primary asset. The land itself being the basic element in the loan. But to carry my idea through, it is not telling you anything that you perhaps have not thought of that a farm would be a poor proposition without a place in which the farmer might live. It is not a complete farm unit without a farm home or barn or other necessary buildings. Consequently, one of the conditions precedent is that he take out insurance in an amount requested by us.

One of the very outstanding things that you men are doing also, and for which you deserve thanks, is your effort in line with keeping down the cost, and to show ways and means of preventing fire loss.

The cost of fire in the United States would pay off every farm mortgage held by the Federal Land Bank of Louisville, which has the largest farm mortgage business in this section and there would be nearly $45,000,000 in excess. Think of that! The most distressing thing about this $150,000,000 annual farm fire waste is that in many opinions nine out of ten of the individual losses could be prevented. The Federal Land Bank is interested in this fire prevention movement from two standpoints. We believe in the prevention of waste, and fire is a waste from any standpoint you look at it, whether the buildings are insured or not, and we have loans on about $50,000,000 worth of farm buildings.

MOST of the borrowers, however, carry more than the 60 per cent of the value of the buildings required. In fact, a great many of the farmers are becoming so educated that they carry a pretty line of insurance against this terrible loss. Have you men ever stopped to think of it? Agriculture at the present moment is not a bed of roses, by any means, and anything that you can do to promote the farmers' interests in your community is eminently desirable. There is not a single phase in American economic structure that compares with the man on the farm. There is prosperity in this country, but back of that prosperity there are a lot of sore spots and those spots must be cured until we have a country where prosperity covers it entirely. Bankers in this country, in the metropolitan areas, such as New York, Chicago and San Francisco, are more vitally interested in the development of the farm and farmer today than they ever have been before.

That is a good indication as to the ultimate recovery from this agricultural depression through which we have been passing.

The seriousness of farm fires is visualized in a startling way by an expert, when he stated that one-eighth as much lumber as grows in each year in the United States will be required annually to replace the buildings consumed by fire on farms, or more than 740,000,000 feet.

I might say also that the lightning loss is so much greater in the country than in the city that it becomes a great problem. In 1924 it was estimated to equal $11,060,000, and for the five years, 1919 to 1923, inclusive, the total loss in the entire country was $20,000,000, or about 5 per cent of the entire fire loss on farms. Yet in the great majority of these cases they could have been prevented had the buildings been properly rodded. You know there was a time when they used to make a lot of jokes about lightning rods, but I do believe that buildings properly protected will go a long ways toward preventing this loss.

The farmer is paying a tremendous tax to the fire demon. It is estimated that it amounts to about $26 annually per farmer, and I am glad to know that through the consolidated effort of your companies this will undoubtedly be reduced very greatly.

Just a word as to your own type of organization. I said at the outset that I felt kindly toward the mutual fire insurance companies. It behooves all insurance men, however, to hew straight to the line of securing certain reserves against any possible contingency. Speaking purely as a banker, I think the question of reserves is a very vital question in any mutual organization.

Auto Insurance

(*Continued from page* 18)

was going at a high rate of speed along a boulevard when a car appeared from a cross street and, although he put on his brakes, he could not avoid a collision with the other automobile. His own car was damaged and, in addition, the impact smashed the radio in the tonneau of the car. He made a claim to the insurance company for damage to his car and also to the radio. Payment was made for damage to the car but the company disclaimed liability for any damage to the radio for the reason that it was not part of the car and the only property insured under the policy was that of the car itself—not property carried or transported by the automobile.

Questions and Answers on Collision Insurance

THE following questions and answers regarding collision insurance also serve to illustrate close and interesting questions regarding coverage:

1. *Question.* Should collision insurance be considered to cover damage to a car by reason of a collision when the car is stolen or driven without the permission of the owner, whether there be criminal liability on the part of the driver or not?

Answer. Yes, collision insurance follows the car, irrespective of the identity of its driver. The policy contains no clause expressly excluding such a loss sustained through collision. With both theft and collision coverage, the loss arising from the collision of an automobile while in the hands of a thief is properly chargeable to the theft coverage.

2. *Question.* Does collision insurance cover an automobile which is damaged by reason of a collision as a result of improper braking, causing the car to run down the incline?

Answer. Yes.

3. *Question.* Does collision insurance cover damage to a car which is run into by another vehicle while being parked upon a highway or elsewhere?

Answer. Yes. Although the burden of proof is on the assured to show that the car was damaged by collision, the mere fact of damage being sustained in this manner should be sufficiently strong circumstantial evidence to place the loss within the terms of the collision coverage.

4. *Question.* Does collision insurance cover damage to the car caused by collision while being driven by an assured who is intoxicated?

Answer. Yes. The usual clause in automobile policies requiring automobiles being insured thereunder to be operated in accordance with law applies to such legal conformities as proper registration and age and is not construed as referring to the operation by an intoxicated driver.

Additional Coverage and Exclusions

The policy affording Public Liability, Property Damage and Collision Insurance may be modified in different ways by endorsement. Other associated coverages may be included or excluded, when permissible, as expediency or demand requires. Such endorsements are too numerous and varied to be described or illustrated in an article of this kind in which an attempt has been made merely to outline the principles of Automobile Public Liability, Property Damage and Collision coverage.

Electrical Installation in Homes

(*Continued from page* 19)

amperes should be placed as close to the battery as they can conveniently be placed. Also, a fuse may very well be set in the lead-in wire just inside here on the outside antenna. That is by reason of the possibility of current coming in from some other source, crossed up with some other wires.

That practically covers the possibility of fire from the radio, except for the fact that every day now we are getting new apparatus out for plugging into the light line. Whenever you plug into the light line you are back to the same problem that you are with any other electrical equipment. If you do that with a telephone wire you are going to have trouble. If you use transformers and all the various apparatus that are out that are not approved by the Laboratories you are going to have trouble.

Some men are brilliant talkers in public and others go out with their wives.—*Boston Transcript.*

The Charleston is reputed to have been originated by a college student who absent-mindedly stuck a lighted pipe in his hip pocket.—*Red Cat.*

Prevent Loss Through Construction

Important Points To Be Considered in Planning Farm Houses, Barns and Other Buildings in Rural Communities

(From Address at Louisville Convention)

By DEANE G. CARTER,

Professor of Agricultural Engineering, University of Arkansas, and Chairman of Farm Structures Division of American Society of Agricultural Engineers

THE first purpose of the home was to provide protection from enemies and wild beasts; shelter from the elements, and isolation from the dangers outside. Naturally in primitive times the shelter was a crude affair, with little attention to comfort, conveniences, appearance, sanitation or luxury.

Throughout the civilized world the home has been synonymous with the thought of safety, protection and isolation. "As safe as in your own home" was the last word in expression of safety.

The advance of civilization has brought many complications over the old life. Our homes have become more expensive and more complicated —we demand more from them than mere shelter. The advent of heat, light, power, furnishings, and accessories, while adding to those things that make a home, have brought certain new enemies to safety. We no longer build our homes to keep out the stranger who may be an enemy, or the wild beast, seeking man for prey.

But within our homes is another enemy whose toll is greater than the man-eating tigers of India, and whose destruction is greater than that wrought by the savage. That enemy is fire. We have not yet learned how to protect from this enemy.

WITH respect to farm buildings, with which I am to deal specifically, the problem of prevention and protection is immensely greater than in the city. In the first place, the farm group contains not merely the home, but the problem is complicated by the variety of other structures of necessity located in close proximity to each other and to the home.

Again, the character of the contents offers a problem of considerable importance. Tractors, gasoline engines, valuable grain, large volumes of hay, and valuable livestock houses within a comparatively small area offer opportunity for severe losses.

The increasing use of gasoline and oils, mechanical power, and heating plants, in themselves comparatively safe when properly handled, cause danger when coupled with the contents of the buildings; and with the kerosene lamp and lantern, they become potential sources of danger.

The isolation of farm buildings contains an element of risk. Exposed locations mean greater danger from wind and storm. Standing alone in the open, the danger from lightning strokes is increased. Side roads, partly impassable in bad weather; the lack of telephone facilities, particularly during storms; the separation from other people all tend to multiply the hazards surrounding the farm buildings.

The third point is that the farm home, speaking in general terms, is without protection against fire. In only a few cases have rural fire departments been organized in such manner that adequate fire fighting apparatus is at hand when needed. The possibility of water supply in sufficient quantity and pressure on farms seems to be a remote possibility. For not more than one home in ten has any sort of running water supply, regardless of quantity. There is little time for fire fighting in the farm home when a building is aflame for too much effort is needed to get the livestock to safety to fight fire. The smaller chemical extinguishers, excellent for protection, cannot stop the loss of a loft of hay ignited from spontaneous combustion. To be specific, the protection on the farm is limited by the ability of the individual to combat the flames.

No other conclusion can be drawn than this: "Fire protection, and fire safety on the farm is a problem of *prevention,* first and foremost."

AN outstanding factor in fire prevention is that of *inspection.* By that I mean to suggest some method that will call attention to the faults, to the preventable fire hazards, that exist in every community, and on every farm. City ordinances compel inspection of electric wiring when the installation is made. Rubbish inspections are made; zoning ordinances demand certain masonry or fire resistive construction within limits Chimneys and flues must conform to law. Credit reductions in insurance premiums are allowed for flue lining, asbestos and asphalt shingles, chimney to the ground, and for other construction.

In contrast, so far as I know, there is no general plan of inspection, and no regulation whatever to control construction or storage on the farm. A man may build a chimney on a wooden sheif, he may build a fire in a milk house in the barn, he may allow rubbish to accumulate, and he may store oils and grease within buildings used for other purposes. Mr. Wallace Rogers quoted 20 percent as the proportion of farm fires due to faulty or no inspection. If we add to this the fires from defec-

tive flues, bad wiring, sparks on the roof, and the like, we discover one of the principal causes of farm fires.

For ten or more years I have paid premiums on farm mutual policies on fire, lightning and tornado. Each year as I pay the assessments I realize that I am paying in part for certain unavoidable, accidental losses that could not have been prevented. Yet from studies that have been made I know that of every dollar assessed:

25 cents is for faulty materials.
20 cents is for insufficient inspection.
15 cents is for faulty construction.
8 cents is for carelessness.
7 cents is for unclean surroundings.
3½ cents is for dangerous storage.

All told, 75 cents, or more of every dollar of loss is preventable. Some authorities estimate as much as 85 to 90 percent of all losses are preventable.

THERE are some six million farms in the United States, each with its building group. Buildings represent about 15 to 16 percent of all farm investment. More than any other item aside from the land itself and in many localities the value of the buildings is greater than the land. In money value, the 1920 census allows $1,781 per farm; an investment value of ten billion, six hundred million dollars in farm buildings. These values are based upon actual estimated reports, and by no means indicate the replacement value. Try if you will to erect a set of farm buildings for $1,780.

Set over against this enormous value of over ten and one-half billion dollars, is an annual farm fire loss of $150,000,000 or a tax of almost 1½ percent on the value of the buildings.

Would it not be a stroke of good judgment if we should spend a tiny fraction of the amount of this 1½ percent for education, instruction and inspection?

We hear much of fire loss due to smoking in barns, children playing with matches, fireworks, and the like. But these are but a drop in the bucket compared with the old offenders of lightning, defective flues, sparks on the roof, and careless or improper construction.

To give attention to the spectacular losses and neglect those common, steady, continuous losses is begging the question.

In a study of the improvements in construction practice as a means of loss prevention we are confronted almost at once with a lack of specific facts. In the importance of the subject, it would be expected that a wealth of information would be available. Yet, at least from the sources with which I am familiar, there is a lamentable lack of real information. However, we have reason to be thankful for the fact that several agencies have undertaken definite action to develop the needed facts.

Side by side with lightning losses, is the defective flue as a cause of fires. Each is accused of responsibility for $20,000,000 of fire loss. Ninety percent of this waste could be avoided by proper construction

WHAT, for example, do we know of the location of farm buildings with respect to fire prevention? How close may the buildings be together? What effect has the type of construction on the distance apart? Is it the roof, lower walls, or contents that are the most hazardous? How does the separation with respect to fire prevention coincide or disagree with recommendations for step saving, and convenience in doing farm work? Are there certain considerations in the location with respect to highways, woodland, cultivated fields, or other factors that will have a bearing on the risk? I ask these questions for the purpose of indicating some things we apparently do not know, at present.

From the standpoint of safe construction we may take a most positive stand on lightning protection. There is still some resistance to lightning rod installation as a result of former unscrupulous dealings which discredited lightning rods, and rod agents.

However, rodding, properly done, offers almost absolute protection. The United States government, and at least some of the provinces of Canada; the National Board of Fire Underwriters, and other agencies agree that lightning rods show an efficiency of 85 to 99 percent.

A table prepared by M. A. R. Kelley of the Department of Agriculture, and presented at the 1916 convention of the American Society of Agricultural Engineers shows the following facts: Of 2,673 lightning fires reported from five states, mostly in 1914 and 1915, 34 were on rodded buildings and 2,639 on unrodded. Most of the 34 were traced to defective workmanship, and in two states included in the report, not a single fire on rodded buildings had been reported in three years. One mutual company reports two losses in 26 years on rodded barns, and another reports no losses in seven years.

Since the effectiveness of lightning rods is so well established, prevention here is primarily a matter of education, and a positive stand by the companies working in territory where electrical storms are frequent.

SIDE by side with lightning losses is the defective flue as a cause of fires. Each is accused of responsibility for 20 millions of fire loss. In my judgment, if lightning losses can be reduced by 90 percent or more, so also can chimney fires. How? Simply by following, and insisting upon chimney construction that conforms to engineered practice. I doubt if one chimney in 25 in the country conforms to best practice, which is:

1. A minimum of four inches of masonry.
2. Cement-lime mortar for the brick.
3. Terra cotta flue lining.
4. No wood framed into the chimney.
5. Chimney built of masonry to the ground, and on a substantial footing.
6. Not more than one opening to each flue.
7. The top of the chimney two feet above the ridge of the roof, and capped with concrete.
8. Chimney straight and plumb from top to bottom.

If these suggestions are followed in essential points, 90 percent of so-

(*Continued on page 29*)

Loss Prevention Through Construction

(*Continued from page 28*)

called chimney fires would not happen. Even as this discussion was being prepared, a friend lost his home and contents valued at $8,000; the cause reported was "Defective flue."

Spontaneous combustion as a farm fire hazard is quite well known. Hay stored in the barn in an uncured condition, or wet with rain tends to heat. Without doubt a number of fires occur each year that could be prevented by care in handling damp grain or hay. It is a startling fact that many people do not know that spontaneous combustion in rags wet with linseed oil will ignite in a space of less than an hour. That is the reason for so many fires in newly finished buildings. Oil and grease found around the farm shop and garage are not so apt to generate heat, but do ignite readily from sparks. Several engine house fires within my observation have occurred in this way.

FARM storage is bulky, inflammable, and valuable. Hay, straw, forage, gas and oil, all of which are found on the farm, burn rapidly and do not lend themselves readily to fire fighting methods.

No discussion of protection and prevention would be complete without mention of permanent farm construction. In the words of Professor J. B. Davidson, we should "build structures of such character that our grandchildren will have the privilege of tearing down the farm buildings if they have outlived their usefulness." Putting this opinion into practice one of Professor Davidson's students is entering the contracting business to construct barns entirely out of masonry, using the designs developed last year at the Iowa State College. It has been but twelve or fourteen years ago that men said silos could not be built from hollow clay tile. But the first Iowa silo is still standing, and the tile silo ranks with wood and concrete in numbers in the corn belt.

Much progress has been made in the development of fireproof, fire resistance, and permanent buildings on the farm.

No one denies the fact that there is a great field for the use of such material. "Permanent material where permanent material is best" is a slogan that might well be adopted.

When we discovered that more farm fires are caused by lightning than any other cause, we did not hesitate to recommend, and in some cases insist upon rodded buildings.

Now, we discover that defective flues cause most fires. Is there any less reason why we should not insist upon correctly built flues?

And likewise, if sparks on the roof are responsible for seven percent of our fires, is there any less reason for insistence that protective measures be applied?

It is a fact that wood is now and will likely continue to be the commonest and cheapest building material. Therefore, it is essential that, in addition to the use of fire resistive materials when best, we give some attention to safeguarding wood construction. Wood preservation prevents loss by stopping rot and decay. Painting stops loss by protecting from the elements, and at the some time improves the appearance. Wood framing kept away from moist earth by masonry foundations lengthens the life of the building.

If we can formulate recommendations to include fire stopping, sheet plaster, inspected wiring, fire resistive roofs, and better braced construction, we will render a service to the man who builds of wood.

IT IS for the protection of the contents of the buildings, as well as the buildings themselves that we concern ourselves with fire prevention. Our second major interest is the protection from wind and tornado. It is certain that we cannot build structures against heavy tornadoes, 90-mile winds or twisters. But we can, certainly, build against 60-mile wind, we can strengthen our construction, and prevent losses that usually occur in the heavy windstorm.

Unfortunately, I am not familiar with the general run of wind losses, yet, having specialized to some extent in farm building construction I may suggest these points:

Farm buildings may be anchored to the masonry base, by ½ to ⅝ inch bolts spaced some 6 to 10 feet apart. This will hold the building and prevent its being moved from the foundation. Since farm buildings are ordinarily more exposed, this is one feature that may be insisted upon.

Roofs may be nailed and braced more firmly than is ordinarily done. By following approved plans many unroofings may be avoided.

The modern "self-supporting" roof for barns does not constitute a hazard. In fact, some study has shown that the modern, plank frame buildings will withstand greater wind loads than the older, timber frame barns. A word of caution here:

Some builders have been guilty of leaving out certain pieces of construction because they appeared unimportant. Every piece of framing is put in for some reason, and insistence on carefully following the plans make the plank frame barn substantial and strong.

Plank framing, because it uses no material thicker than two inches, has suffered at the hands of men who have attempted to work in so-called economies, and used insufficient material. A barn that bulges at the eaves, and sags at the roof could not be expected to withstand any considerable wind pressure.

In summary, I wish to suggest a program for loss prevention through construction. It is presented as a conclusion to draw attention to what appear to be the outstanding problems in the effort to prevent loss by better construction.

1. That lightning rods, properly installed be urged in localities where electrical storms are frequent.

2. That the methods of safe chimney construction be recommended for all houses, and the rules for such construction be circulated by the associations.

3. That inspection of all electric wiring be recommended or required both for high tension and isolated plant installation.

4. That attention be called to the dangers from improper storage of gasoline and oils, and correct methods recommended.

5. That the methods of making frame buildings fire safe be studied, and recommendations made for including such precautions in new buildings.

6. That fire resistive construction be recommended where practicable, especially for garages, milk houses, and similar buildings where the fire hazard is greatest.

7. That insurance officials and clients be urged to follow standard practice in the framing and construction for fire safety, economy and strength. It is especially desirable that plans of the agricultural colleges and trade associations be followed.

8. That an effort be made to secure a guide to good construction to serve somewhat the same purpose as the building code in urban districts, which will enable the rural worker to avoid the risk now unconsciously taken.

9. That consideration be given to the problem of devoting a certain portion of premium funds to the dis-

(*Continued on page 31*)

Oil Heaters and Burners

(*Continued from page 22*)

plicated by many things, because of natural conditions involved in each installation with the psychological complications when it comes to a question of putting it in as cheaply as possible, or have the installation man knowing more about it than the manufacturer, and the Underwriters' Laboratories or the National Board of Fire Underwriters that drew up the installation regulations. Also, the installer is frequently confronted by conditions where the local ordinances say he must do it so and so and the National Board rules say that this is the way to do it—what shall he do? Ordinances are conflicting. National Board rules are not perfect, and it will take time and everybody working together in the cause of fire prevention and fire protection to get to a point where everybody is satisfied.

I don't expect that there will be any particular calamity in the use of oil burners that is going to have any effect of driving people to see that proper installations are made. There is going to be a sustained effort on the part of everybody that has the real interest of the country at heart that will finally result in the improvement of conditions.

I don't know what particular thing in regard to oil burner installation is most important. In drawing up the National Board rules effort was made to cover every point that the engineers could imagine and cover them in a reasonable way without involving senseless requirements. If you had an opportunity to compare the old 1902 rules with the present day rules you'd appreciate that a change of heart had been made. But I do wish to point out, so many people feel that if they have their tank outside the building, if they have a burner provided with a pump which when it is not running, of course, obviously means there is no oil in the building, they have safety in its final form. Unfortunately, it is necessary to have it so arranged that it will deliver fuel when you need it. That means it must be automatic, and so far as I can see, it makes little difference whether the oil is pumped into your basement or driven in by gravity, so far as the fire hazard is concerned. You must have other protection, beyond just saying that you have your tank below the piping where the fuel lies near it to be lifted out only as consumed—it is necessary to have flexibility in an oil burner, so that from time to time it may be adjusted so as to give a greater or less amount of fuel. For that reason, in pump equipped devices there must be a return line and that return line, if broken, naturally may discharge as much fuel as if the gravity line of a gravity feed burner were broken. You must have other protection than that.

THERE are devices so arranged that in case any of the pipes are broken it will starve the pump and you won't get any more oil. I would not say under all conditions that is a perfectly safe device, but I do say it adds to the safety. All oil burners listed by Underwriters' Laboratories are equipped with some form of safety device preventing abnormal discharge of oil in case of extinguishment of flame.

In the earlier types of devices and plenty of the latest ones, we have an anti-flooding bucket in the shape of a drip bucket where the oil is collected at one central point where it opens a valve or has some other method for stopping the flow of oil into the furnace. The latest developments are thermostatically controlled, so that if the flame is not there it serves to throw the burner into the off position. Of course, the thermostatic type automatic devices are suitable for use only where means of starting and stopping the device is electric. Manually operated devices would not work in that way. I suppose that except in those territories where the farmer has power lines coming in he will be forced to use a natural draft burner.

I did not say gravity feed burner. I said draft burner. So many people say gravity feed burners when they mean "natural draft burners." Gravity feed means to use a system of conveying the oil to the burner, and you may convey it to the burner by gravity, irrespective of whether the device is one provided with a motor or without. We term the one which does not have a motor a natural draft burner, because it depends upon the vacuum produced by the heated air in the chimney to carry sufficient air into the burner proper to give you the combustion necessary. I presume for that reason there will be more natural draft burners in the hands of the farmers than of the mechanical draft type. A natural draft burner in some respects is considered by a good many as being less safe than the mechanical draft type. I think one of the reasons for that is on account of the change in draft conditions. It often happens that you have set the burner to deliver more fuel than will be properly consumed. For instance, you start out and get the burner well heated up in the morning while the air is cool and crisp and snappy and it will consume under those conditions more fuel than it will later in the day when it has become a little bit warmer and perhaps damp and muggy. As a result you have a very smoky flame, and maybe in a relatively few hours it will have come from a clean flame to one that is giving smoke and with improper chimney conditions is easily made to produce chimney fires.

There we have opportunity to apply some fire prevention. Considerable reference has been made to the great number of fires caused by unsafe flues. I have no doubt but that hundreds of poor flues are going to give oil burners a black eye.

Oil burners can be forced to put more fuel through them, perhaps, than you can feed into a coal furnace. For that reason you must be sure you have perfect flues. Proper roofs will get away from the spark hazard. If we can't put on a slate roof, put on some of the other of the relatively less combustible materials, such as asbestos shingles, the flexible shingles, class C roofing, such as Underwriters' Laboratories are labeling.

PROPER construction and proper installation; next the proper maintenance of an oil burner. We require every manufacturer to furnish directions in such a form that they may be mounted on the wall back of glass and framed, so as to make them durable, to enable the user, if he exercises proper intelligence, to handle the device safely.

The Laboratories have tried out those directions to see whether they will produce the results. I find that there is a tendency on the part of many, because they have an automatic device, to let it go and to let it go just as long as it will carry on, perhaps in that way ignoring little signs that might have warned them of impending trouble.

I think one of the difficulties we have with automatic burners has been due to the users that have been, at least, careless, who say, "I have got a big tank; I have an automatic device. I can go away and leave the place empty for the week-end." The first time, perhaps the second time he is all right. Then he has a chance to go to friends for a week. I have known folks to leave for ten days. One man went South for the winter

without any service man instructed to come at proper intervals to see that everything was right. What can you do under such conditions as that?

That is one difficulty. You make a thing nice and easy for a man to handle, easier than he has been used to for years, perhaps all his life, and immediately he begins to think how much easier he can still make it for himself. I had an illustration of that kind myself. I made an experimental installation of an oil burner and it was one with a manually operated, hand pump, to pump from the main storage tank to the gravity tank. I don't believe I was pumping more than a week or two when I began to figure how could I arrange this so I could do it automatically, measure it automatically, and not be forced to go down to the basement and work that pump handle, when weeks before I had been carrying out ashes, bushels of ashes every day, and shoveling in coal by the hundreds of pounds.

It is human nature to try to dodge any little extra work. So pound it into people's minds that they should not abuse an automatic device.

IN THE National Board installation regulations you will find a recommendation that is put in there as a recommendation rather than a requirement, for several reasons, that some people apparently have not understood. That relates to the use of some automatic device which must be manually reset to take care of abnormal conditions such as would occur if in a steam or hot water boiler the water became low, and if the installation is an oil burner installation, naturally the oil burner is called upon to supply heat and does its duty and ruins the boiler, and in some cases has started fires. The recommendation of which I speak says there should be an automatic device, commonly termed an equastat, hydrostat, pressurestat, something of that sort, which when the water goes beyond the safe point will serve to stop the burner and force the householder to go to the basement and start it up again, seeing first what is wrong.

Many people say, "We already have that kind of device on our heater. The heater can't go over that safe point, because there is an instrument on that. The trouble with that generally is that it restarts the burner after the temperature goes down. If you have a steam system you don't want this, because if somebody has left a window open in the room where you have your thermostat located it will try to heat the whole outdoors and thus boil off your water. You must have some control. The maximum control on a hot water boiler is generally set around 150 to 180 to keep your water below the boiling point, automatically shutting off when it gets to that point. In heating the outdoors you will simply burn a lot of oil and yet not get excessive temperatures in your system. The difficulty there is that if that continued you would finally drive off all of the water in your system, and the flame automatically coming on again after the boiler has cooled down, you would damage the furnace. Quite a number of furnaces have been injured in that way and a few fires have been caused by lack of proper temperature in the boiler equipment.

Then there is the type of kerosene heater which is used perhaps more in the South than it is in the North, a mild weather substitute for a heating plant, consisting of a wick bed type of, you might call it a lamp, in a metal housing, generally cylindrical in shape, arranged to be carried from room to room—nothing but an exaggerated kerosene lamp for heating.

A YEAR or so ago the question was raised as to the hazards of devices of that kind, because it seemed there were too many losses chargeable to these kerosene heaters. Accordingly, Underwriters' Laboratories endeavored to investigate the causes. Frankly, I have been very much disappointed at our lack of success in producing some of the results that had been so very clearly described to us as having actually occurred in case of fires. I have become more or less suspicious that in many cases the reports claim the kerosene heater set the fire, after it had been deliberately put into such condition as to cause a fire.

Unfortunately, irrespective of how we insist those devices should be made substantially, how we see that the lamp bowls are made of proper thickness, metal joints are tight and that the wick tubes closely fit the wicks, so there will be no chance of explosion, the whole thing turns around to the user, who, by his carelessness easily may nullify the good that has been done. The carelessness of the American people undoubtedly is the cause of a large portion of this half billion fire loss that we are having annually. It is not only the farmers. The farmer is notoriously careless, attested by the fact that so many machines bought new in the fall for the harvest are left out until the next harvest. We all treat the fire hazard just about the same way, although we don't realize that day after day little acts of carelessness result in loss of property.

The only way we can do is spread the gospel of fire prevention and fire protection among the people. At the present the N. F. P. A. and the National Board of Fire Underwriters are engaged in educating, sending out pamphlets, booklets, lessons for the school children, but until we all get behind that to help push the gospel we are not going to get the results that we are really entitled to. Just within the past year the N. F. P. A. appointed a new committee, headed by Dr. Price, of the Bureau of Standards, on Fire Prevention, or Protection; both are important on the farm. That work should produce some real results, because farmers have not been properly protected, and certainly they have not done all they could in the way of prevention.

Loss Prevention Through Construction

(*Continued from page 27*)

semination of information on prevention by good construction.

Loss prevention by fire safety is but one phase of waste reduction. Experience has shown that substantial, strong and permanent construction is necessary in order to withstand storms, and reduce the replacement cost.

Somewhat beside the present subject, but nevertheless important, is the problem of eliminating waste space in buildings; the use of short and odd length lumber; the development of wood preservation methods; the reduction of the overhead cost in buildings; the conservation of labor; protection from rodents; correct housing to prevent waste in machinery and in farm products.

Education is, after all, the basic need in this program of loss prevention. Closely related are the factors of inspection and demonstration.

FARMER—"Hi there! What are you doing up in my cherry-tree?"

YOUNGSTER — "Dere's a notice down dere to keep off de grass."—*Boston Transcript.*

MOTORIST—"These chickens in the road cause a lot of accidents."

FARMER—"But not as many as the chickens beside the driver."—*Allston Recorder.*

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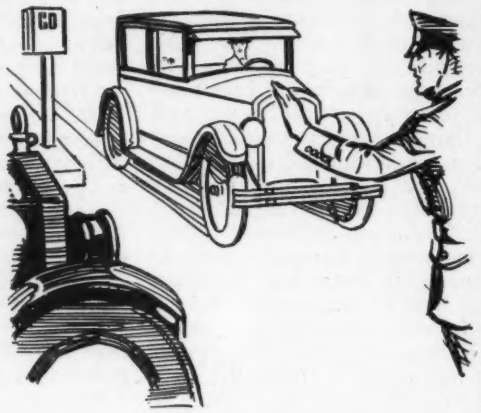

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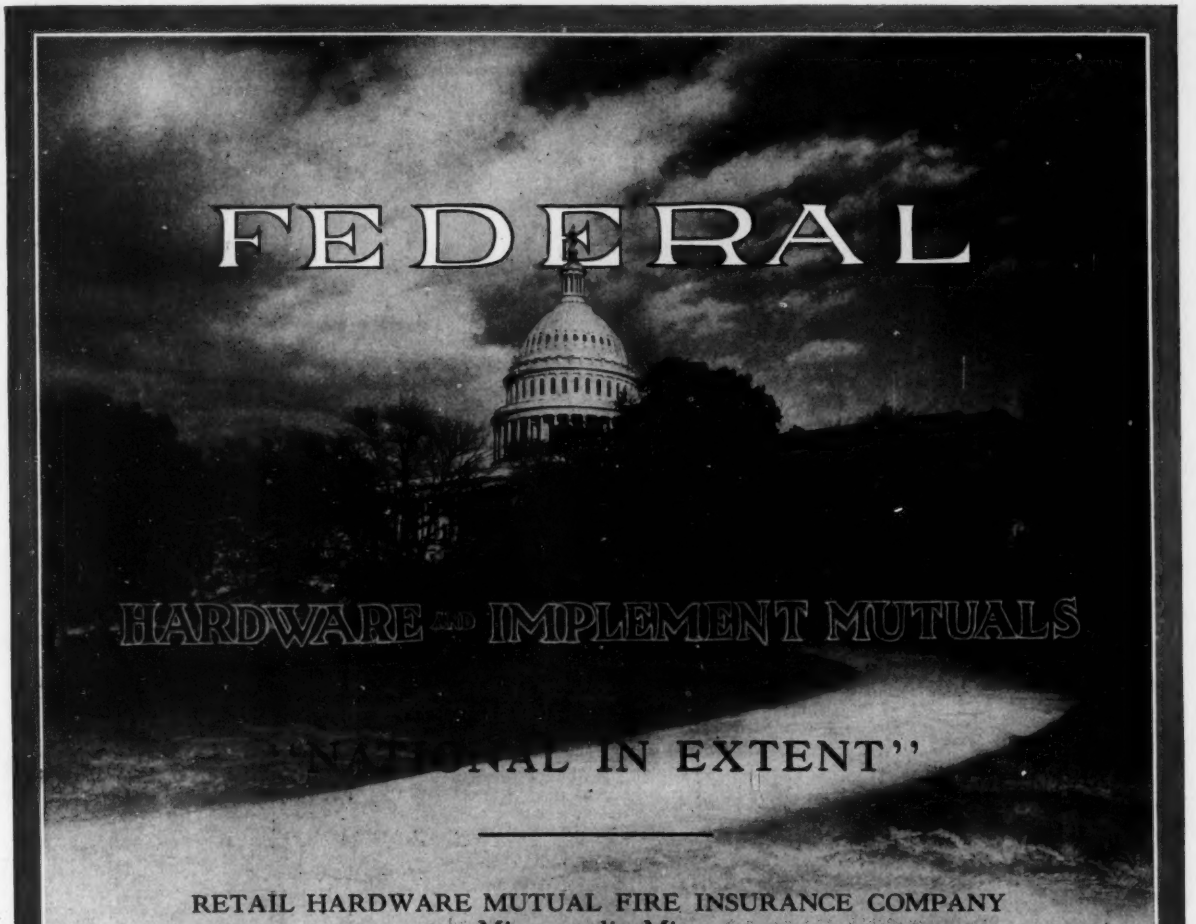

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